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MEETING

STATE OF CALIFORNIA

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

REGULAR MONTHLY BUSINESS MEETING

COPY

Board Room

8800 Cal Center Drive

Sacramento, California

Wednesday, March 30, 1994

10:00 a.m.

Janet H. Nicol
Certified Shorthand Reporter
License Number 9764

APPEARANCESBOARD MEMBERS PRESENT:

Jesse Huff, Chairman
Wesley Chesbro, Vice Chairman
Sam Egigian
Edward G. Heidig
Kathy Neal
Paul Relis

STAFF PRESENT:

John Bell
Ralph Chandler, Executive Director
Martha Gildart
Marlene Kelly, Board Secretary
Pat Macht
Christy Porter
Marge Rouch
Douglas Okumura
Kathryn Tobias, Board Counsel
Tom Unsell

PUBLIC SPEAKERS:

Bob Boehm, Chico
Shiela Bumberry, Sutter Memorial Hospital
Denise Delmatier, Gualco Group
Evan Edgar, CRRC
Gaylord Enns, Pleasant Valley Assembly of God
Tom Fogarty, Chico
Kurt Girard, Louisiana-Pacific
Curt Griffiths, Metcalf & Eddy
Ed Johnson, Chico
Ted Jones, Eat Your Vegetables
Karin Martin, J&W Scientific
Linda McAlpine, Park Mechanical
Don Mulkey, Chico
Iloo Rosellini, Chico
Erik Spiese, Jones & Stokes

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P R O C E E D I N G S

1
2 BOARD CHAIRMAN HUFF: Good morning. Could we have
3 a roll call to establish a quorum.

4 BOARD SECRETARY KELLY: Board Member Chesbro.

5 BOARD VICE CHAIRMAN CHESBRO: Here.

6 BOARD SECRETARY KELLY: Egigian.

7 BOARD MEMBER EGIGIAN: Here.

8 BOARD SECRETARY KELLY: Heidig.

9 BOARD MEMBER HEIDIG: Here.

10 BOARD SECRETARY KELLY: Neal.

11 BOARD MEMBER NEAL: Here.

12 BOARD SECRETARY KELLY: Relis.

13 BOARD MEMBER RELIS: Here.

14 BOARD SECRETARY KELLY: Chairman Huff.

15 BOARD CHAIRMAN HUFF: Here.

16 Quorum is present.

17 Does any Board member have any ex parte
18 announcements to make at this time?

19 Mr. Relis.

20 BOARD MEMBER RELIS: Two communications from Sandy
21 Brown, CSSWP, I'm not sure what that is, regarding the
22 Caspar Landfill closure.

23 And another from Claud Neely, the board of
24 supervisors, County of Lassen, regarding their market zone
25 application.

1 BOARD CHAIRMAN HUFF: Okay.

2 BOARD VICE CHAIRMAN CHESBRO: I received the same
3 letters, which I presume will be put into the record.

4 BOARD CHAIRMAN HUFF: Yes, I presume.

5 I probably received the same letters too, but I
6 haven't read them yet.

7 BOARD SECRETARY KELLY: You read the Brown one.

8 BOARD CHAIRMAN HUFF: Did I read the Brown one?

9 And I responded to it. Whoops.

10 Ms. Neal.

11 BOARD MEMBER NEAL: Yes. I have a number of ex
12 partes to report to be in compliance of having reported this
13 information by the Board meeting and haven't had a chance to
14 get all my written ones into the file so bear with me.

15 Okay. Let's see. On March 8th I met with Richard
16 Hays and Bill Harris and Helen Heim, City of San Diego,
17 relative to public education projects in our outreach to
18 local government and our desire to have them involved in our
19 public education and spoke with them about how we could
20 coordinate both with the City of San Diego and with Rich
21 Hays' as chair of LGTAC.

22 These are not in chronological order.

23 On March 29th I met with Marc Aprea of BFI, Kent
24 Stoddard of Waste Management, Stu Clark with Rail Cycle,
25 Yvonne Hunter with the League of Cities and Jack Michael

1 with LA County San District. It was a luncheon that was
2 hosted to introduce all of them and some of the waste
3 lobbyists to Susan Lee, who is the new committee analyst for
4 the LPAC committee.

5 On March 23rd I met with Yvonne Hunter with the
6 League of Cities. The subject was the Governor's
7 reorganization proposal. We discussed the League's position
8 on reorg, which was also included a cc to me by Yvonne in a
9 letter to Ed Heidig, Ellen Moriarity, Paul Blaze and Mike
10 Kahoe. Basically set out that the League's position was
11 that they support the concept of the reorg if it includes
12 that the cost savings should be rebated back to the
13 feepayers, that it must include adequate statutory
14 provisions for accessibility and accountability, that they
15 would oppose any attempt to reduce or limit the current
16 authority of local governments to regulate solid waste.
17 Essentially those were the points made in that.

18 On March 1st I met with Kip Lipper and Assemblyman
19 Byron Sher representing the Assembly Natural Resources
20 Committee relative to the reorg. Basically they were
21 informing me that right now they are keeping an open mind
22 and listening to all sides.

23 On March 29th Karen Keene and Scott Summerfield of
24 the California Association of Counties relative to our
25 public education project that they were working with us in

1 coordination with our 1220 monies.

2 On March 23rd I met with Kathy Fletcher of BKK
3 Corporation relative generally to board reorg and permitting
4 and she was reiterating their support of maintaining local
5 authority in permitting.

6 Finally, yesterday, March 29, Kent Stoddard and
7 Stu Clark of Waste Management and Rail Cycle relative to the
8 current status of the Bolo Station Landfill.

9 That completes my ex parte report.

10 BOARD CHAIRMAN HUFF: Very good.

11 I also met with Mr. Stoddard and Clark yesterday,
12 but I got my ex parte filed, I think. It's in my out box.

13 BOARD MEMBER RELIS: I'm in the same situation. I
14 think that mine is filed, but I'll double check. Just note
15 that.

16 BOARD MEMBER NEAL: I also, sorry, I missed one
17 fax from the County of Lassen, I guess relative to a
18 marketing committee proposal on the agenda today, and
19 something about regional approach, but I'm not real
20 familiar. Since they said it was my idea I think they
21 misspoke in the letter.

22 BOARD CHAIRMAN HUFF: Well, you'll have time to
23 read the letter before we get to the item.

24 Okay. Mr. Heidig, did you have any?

25 BOARD MEMBER HEIDIG: Ibid.

1 BOARD CHAIRMAN HUFF: Ibid. Okay.

2 That takes care of ex parte communications.

3 Next we have the consent calendar. The consent
4 calendar consists of the Items 5, 6, 8, 9, 10, 11, 13, 15
5 through 21, 25, 26, 29, and 30.

6 Does any member at this time wish to remove an
7 item from this consent calendar?

8 Hearing none, is there a motion on the consent
9 calendar?

10 BOARD MEMBER EGIGIAN: Move it.

11 BOARD CHAIRMAN HUFF: Moved by Mr. Egigian.

12 Roll call, please.

13 Wait.

14 The train is moving.

15 MR. GORFAIN: I know. Mr. Chairman, I apologize.

16 One of the loan items on your agenda item, I'm not
17 sure what number it is, for approving the loans, Soils to
18 Grow is not ready for approval. They have not yet received
19 a solid waste facility permit or exemption from the LEA, so
20 we ask that the item be pulled off of the list being
21 approved today.

22 BOARD VICE CHAIRMAN CHESBRO: We would just amend
23 the consent agenda to remove that one.

24 BOARD CHAIRMAN HUFF: If someone will tell me what
25 it is.

1 BOARD MEMBER RELIS: Item 9.

2 BOARD CHAIRMAN HUFF: Item 9, removing the
3 entire --

4 MR. GORFAIN: Just the one item. There are seven
5 loans listed, Soils to Grow is the one we're asking to be
6 removed.

7 BOARD CHAIRMAN HUFF: Okay. No. 3 in Item 9.

8 So the motion is, everyone, the consent calendar
9 with the exception of in Item 9, subitem 3, Soils to Grow,
10 is not included in the consent calendar. Okay.

11 Roll call.

12 BOARD SECRETARY KELLY: Board Member Chesbro.

13 BOARD VICE CHAIRMAN CHESBRO: Aye.

14 BOARD SECRETARY KELLY: Egigian.

15 BOARD MEMBER EGIGIAN: Aye.

16 BOARD SECRETARY KELLY: Heidig.

17 BOARD MEMBER HEIDIG: Aye.

18 BOARD SECRETARY KELLY: Neal.

19 BOARD MEMBER NEAL: Aye.

20 BOARD SECRETARY KELLY: Relis.

21 BOARD MEMBER RELIS: Aye.

22 BOARD SECRETARY KELLY: Chairman Huff.

23 BOARD CHAIRMAN HUFF: Aye.

24 Motion carries 6-0.

25 Are there any items on this agenda that have been

1 pulled? None. That's good. Just trying to save people
2 some time.

3 We do have the request to address the Board forms
4 in the back of the room in case anyone is feeling compelled.
5 I don't require them, but it just helps me keep order going
6 through the meeting. So if anyone is here to speak on any
7 item if you could please fill out one of these forms it
8 would be of assistance to a smooth meeting.

9 Okay. With that we'll go to the reports of the
10 Board's committees.

11 Ms. Neal, would you like to start?

12 BOARD MEMBER NEAL: Yes.

13 Don't have much to report. The committee did
14 meet. Since it is still early in the legislative activity
15 we have determined not to take any positions on bills at
16 this time.

17 In addition to that, just for your information, we
18 continue to work with the League of Cities and CSAC on our
19 1220 public education coordinated project, and I anticipate
20 that item to come before the Board at the next Board
21 meeting.

22 BOARD CHAIRMAN HUFF: Very good. Thank you.

23 Mr. Chesbro.

24 BOARD VICE CHAIRMAN CHESBRO: All of the action
25 items that the committee considered were taken up on the

1 consent agenda.

2 The committee did receive a status report on the
3 statewide waste prevention plan and I'm happy to report that
4 activities are proceeding as approved in that action plan
5 and we are meeting the goals which were set out in that
6 plan.

7 BOARD CHAIRMAN HUFF: Very good. Thank you.

8 Mr. Relis.

9 BOARD MEMBER RELIS: Yes.

10 Most of our items are on consent.

11 Just like to highlight that it's been a pretty
12 full period for the Market Committee and the activities
13 includes a designation of the new zones, which would extend
14 our program to additional urban and rural communities up to
15 27 zones now; expansion of the LA city zone, which we think
16 will result in a greatly increased loan demand for the loan
17 program; provision of a greatly increased technical
18 assistance and promotional activities for zones, which will
19 be under consideration later with the 1220 money; the
20 approval and the consent item of six loans totaling about \$3
21 million for the loan program; and the establishment of the
22 price preferences for state purchases of commodities such as
23 paper products, plastics and compost in schedule with our
24 May due date for establishing that system.

25 So that completes my report.

1 BOARD CHAIRMAN HUFF: Thank you.

2 Mr. Egigian.

3 BOARD MEMBER EGIGIAN: Mr. Chairman, we only had
4 one item on your agenda so we moved it over to the
5 Administration Committee and I'll let you report on that.

6 BOARD CHAIRMAN HUFF: Okay. Well, the
7 Administration Committee handled it quite well.

8 The Administration Committee report I will give
9 and the most noteworthy action that the Administration
10 Committee took was to change the membership of the committee
11 and also fill a couple vacant positions on other committees.

12 The new chair of the Administration Committee is
13 Mr. Heidig, and so henceforth he will be giving this report.

14 The changes in the membership were approved on the
15 consent calendar, so we have already approved it.

16 Congratulations, Mr. Heidig.

17 And I'll give also the report on the Permit
18 Committee.

19 All the other items from the Admin Committee are
20 on the agenda too.

21 The Permit Committee I wanted to mention two
22 things. The items are on the agenda will speak for
23 themselves. There are two things that aren't on the agenda
24 but are pending before the Permit Committee I want to bring
25 to the Board's attention.

1 The first, after months of working with the
2 composting community and our technical advisory panel, staff
3 will release revised composting regulations next week.

4 A number of significant changes have been made.

5 First of all, we have taken out the Water Board's
6 requirements out of our regulations.

7 Secondly, we have provided an agricultural
8 exemption.

9 Third, we have replaced proscriptive requirements
10 with the performance standards.

11 And fourth, we have set up a tiered permitting
12 process which will allow many facilities to file a very
13 simple notification with the LEA rather than seeking a full
14 solid waste permit.

15 These regulations will be circulated among
16 interested parties over the next month for feedback. We
17 hope to begin the formal OAL process later this spring.

18 Second matter I wanted to bring to the Board's
19 attention is relative to asbestos. As you know, this has
20 been a topic we have discussed in the past.

21 The Department of Toxic Substances Control has
22 statutory authority over the disposal of asbestos at
23 landfills and collects approximately \$3.2 million annually
24 from generators and disposers, yet they have not been
25 actively enforcing the regulations or inspecting the sites

1 where asbestos is disposed.

2 Over the past three years Board staff have been
3 engaged in discussions with the Department of Toxic
4 Substances Control to resolve this void.

5 A memorandum of understanding was negotiated
6 between our two organizations in 1992 to provide more
7 efficient regulation of asbestos-containing waste, but was
8 never implemented because we lacked legislative authority.

9 That MOU has since expired.

10 Draft regulations giving this Board authority to
11 inspect and enforce regulations were approved by our Board
12 and have been sitting at Toxics for over a year.

13 A bill by Byron Sher to establish, to accomplish
14 the changeover in authority was originally supported by
15 Toxics and Cal EPA, but is now being held on the Senate
16 floor as a two-year bill.

17 Discussions to provide some modest level of
18 funding to this Board for this program have stalled. In
19 fact, I was told by Cal EPA on Monday that an offer made by
20 Toxics earlier this month to provide funding for one PY had
21 been rescinded.

22 And this is due to budget pressures. I have no
23 doubt that the Department of Toxics is facing considerable
24 budget pressures and they are just simply trying to cope
25 with it the best way they can.

1 I'm not sure I would agree that ignoring asbestos
2 in landfills is the most appropriate way to cope with that
3 pressure, but that's the decision that they have made.

4 BOARD MEMBER NEAL: Mr. Huff, can I ask a
5 question?

6 Aren't they collecting fees for doing that, to do
7 that?

8 BOARD CHAIRMAN HUFF: They are collecting, you can
9 get into a discussion with them about exactly what those
10 fees should go for. But, yes, they are collecting fees.

11 And I think part of the expectation of the
12 regulated community and the feepaying community is that
13 their fees go to cover all activities relative to the
14 material.

15 BOARD MEMBER NEAL: Regulation of asbestos.

16 BOARD CHAIRMAN HUFF: That's right.

17 I think that the Department of Toxics holds a more
18 expansive view of the potential uses of those monies.

19 BOARD MEMBER NEAL: Well, I would suggest that
20 they're derelict in their duty, then, in collecting fees and
21 perhaps they're not using them for the purposes for which
22 they are collecting them.

23 BOARD CHAIRMAN HUFF: I'm reminded of a phrase
24 that you hear occasionally in the Department of Finance and
25 also in the halls of Legislature, Ms. Neal, and that is that

1 money is fungible. Okay.

2 And I think that's what they're demonstrating, the
3 fungibility of the asbestos money.

4 At any rate, there's a problem and I have -- we
5 don't have an action item here today, but we do have the
6 circumstance where proper environmental regulation of
7 asbestos-containing waste in landfills is not completely
8 being accomplished and it seems to have been stalled
9 primarily over an issue of PYs and pieces of equipment and
10 training matters.

11 And I think that's a little too restrictive in its
12 outlook, a little too bureaucratic in trying to determine
13 what's best for the public.

14 So I've instructed staff to bring back to Permit
15 Committee an action item wherein this Board can be more
16 proactive in doing the proper environmental thing.

17 And we'll have to figure out the financial thing,
18 but we'll set the priorities as being protection of the
19 public and the environment first, figuring out the resources
20 to do that second, rather than vice versa, which I would
21 suggest is the priority list of the Department of Toxics.

22 BOARD VICE CHAIRMAN CHESBRO: Well, I think that's
23 the right thing to do, and I support what you've done, but
24 I'm going to go a little further in terms of your
25 description of the situation and say that I think it

1 represents a classic example of how Cal EPA has not
2 fulfilled its responsibility.

3 You know, they as an agency continue to move, and
4 this administration continues to move to try to consolidate
5 responsibilities and programs in a narrower and narrower
6 base and yet here we have an example of a classic need for
7 government and responsibility for government involvement in
8 protecting public health and safety and they can't resolve
9 between two departments, two programs, one a board and one a
10 department, who is responsible.

11 And it just boggles my mind that with this
12 relatively minor issue in the -- I don't mean minor in terms
13 of the public health and safety, but minor it's one of
14 dozens and dozens and dozens of issues that we face in
15 environmental protection that they can't seem to resolve it.

16 And I think our Board, regardless of the financial
17 consequences, needs to take the responsibility.

18 And I support the Board moving forward.

19 BOARD MEMBER NEAL: And I will remind you that
20 this issue was first brought I think to the Board's
21 attention, subsequently to Cal EPA's attention. I think I
22 was the one that raised the issue.

23 And the first thing we did was went over to Cal
24 EPA and said this is a prime candidate for the kind of
25 coordination that you were formed to accomplish.

1 And we have not -- I think it's been, what, two
2 years we have been doing this now, maybe a year and a half,
3 and we've not been able to get them to even consider that
4 this is an important item or issue.

5 And the only reason that any movement is happening
6 is because we continue to push the envelope. We finally
7 when we saw that Cal EPA was going to be remiss in their
8 duties went and approached Toxics directly about creating an
9 MOU to try to work out the situation.

10 It's consistently been a one-way push on our part
11 to try to deal with this in a responsible manner.

12 BOARD CHAIRMAN HUFF: Thank you.

13 I would point out that late last year Cal EPA did
14 take a more proactive approach, but did not resolve this
15 funding problem. I think that Cal EPA would wish that the
16 two departments involved would resolve the funding.

17 BOARD MEMBER NEAL: I think that's generous of you
18 to classify that as a more proactive approach.

19 BOARD CHAIRMAN HUFF: Generosity is my middle
20 name, Ms. Neal.

21 BOARD VICE CHAIRMAN CHESBRO: The fact is the
22 problem didn't get solved and it's not because the Board
23 hasn't been pushing for it to be resolved.

24 And they have some responsibility. I think it's
25 clear that they -- they're not exercising the kind of

1 involvement necessary to get Toxics off the dime on this
2 issue.

3 And I think you have to ask if they're not able to
4 do that with existing departments they have direct control
5 over, what leads anyone to believe they're going to do a
6 very good job of it with a greater level of and span of
7 control over programs within the agency.

8 BOARD CHAIRMAN HUFF: I think we're pretty far
9 afield on this, Mr. Chesbro.

10 Problem is that Toxics is holding on to the dime
11 that people are trying to move them off of.

12 Mr. Chandler, do you have an executive director
13 report?

14 EXECUTIVE DIRECTOR CHANDLER: Absolutely.

15 Thank you, Mr. Chairman and members.

16 I have four items.

17 BOARD CHAIRMAN HUFF: Don't follow that angle.

18 EXECUTIVE DIRECTOR CHANDLER: Back to the mundane.

19 I have four items that I wish to speak on this
20 morning that are projects or initiatives that have
21 transpired since my last report in February.

22 The first that I'd like to highlight is yesterday
23 we mailed out the LEA advisory on the nontraditional
24 facilities.

25 And I see Mr. Unsell in the audience and I would

1 request of Tom if you wouldn't mind putting some of these in
2 the back room.

3 As I just mentioned, they were mailed March 29th.

4 This advisory was released in draft in January and
5 was widely distributed to Board members, staff, and LEAs, as
6 well as through our Enforcement Advisory Council to solicit
7 their input.

8 It was revised in mid February and again in March
9 to reflect the input we received.

10 The advisory addresses the status of facilities
11 which handle what I refer to as nontraditional wastes during
12 an interim period while the Board deliberates on the
13 appropriate level of regulatory oversight for these types of
14 facilities.

15 The purpose of the advisory is to provide our LEAs
16 with guidance on whether to accept permit applications for
17 these facilities during this interim period prior to the
18 Board setting the policy statewide.

19 The secondary that I'd like to speak to is the
20 project that we're referring to as the appropriate level of
21 regulatory oversight or regulatory control.

22 We held two workshops, one on March 10th in
23 Sacramento and one on March 16th in Diamond Bar. There were
24 over 150 participants who participated in both these
25 workshops.

1 Again the purpose of these workshops was to
2 facilitate public discussion on options for regulating the
3 nontraditional waste handling facilities. We started
4 specifically with ash, sewage sludge, and nonhazardous
5 contaminated soils.

6 A draft staff report has been circulated in
7 advance of these workshops and served as a basis for our
8 discussions.

9 Participants, particularly the LEAs, appreciated
10 the opportunity to discuss these issues in their formative
11 stages.

12 The next step will be for staff to be presenting
13 as a discussion item at the April P and E Committee meeting
14 describing the outcome of the workshops and the regulatory
15 options for each of those three waste types.

16 Mr. Chairman, you mentioned the composting regs
17 that are out in draft, at least for internal review, and I
18 think you will see some similarities and perhaps the
19 approach relative to tiered permitting as options we may be
20 looking at for ash, sewage sludge, and nonhazardous
21 contaminated soils.

22 The third item I wish to speak to is a letter that
23 I sent just last week to now director Michael Byrne at the
24 Department of Conservation regarding the need for
25 cooperation between the Division and the Board regarding

1 plastic recovery rates in California.

2 As you know, we have responsibility for the rigid
3 plastic packaging program that this Board is required to
4 determine the recycling rate for not only PET but non-PET
5 plastic containers. This is all containers, not beverage
6 containers.

7 As you may be aware, currently the Division of
8 Recycling performs surveys of plastic processors and brokers
9 to determine the amount of California Redemption Value and
10 other plastic containers that are recovered. The memo
11 proposes that the two agencies work together to obtain a
12 more complete plastic recovery database and specifically
13 requests that the two organizations evaluate the Division of
14 Recycling's existing survey mechanism that perhaps could be
15 expanded to benefit both programs.

16 Finally, the last subject I wish to speak to is
17 solid waste infrastructure compendium project. We've begun
18 to develop an infrastructure compendium to consolidate
19 information on the State's solid waste infrastructure.

20 This infrastructure and information will
21 ultimately be incorporated into a geographic information
22 system or a GIS system.

23 The infrastructure compendium will provide a
24 better understanding of California's solid waste
25 infrastructure, identify areas of weakness and provide

1 increased ability to anticipate the impacts and changes of
2 the infrastructure, such as landfill closures and the siting
3 of facilities such as material recovery facilities and our
4 composting facilities.

5 Solid waste infrastructure falls into three
6 categories, the physical infrastructure, facilities like
7 MRFs and landfills; the primary infrastructure supports,
8 such as curbside and waste exchanges; and the secondary
9 infrastructure support, these would be activities that
10 impact the generation and disposal of solid waste
11 indirectly.

12 Staff have developed a draft format and are
13 gathering information and I would like to come back in
14 future meetings to keep you updated on the progress of this
15 effort.

16 Mr. Chairman, that concludes my report for today.

17 BOARD CHAIRMAN HUFF: Thank you.

18 I wanted to note a couple of things.

19 First of all, the nontraditional facilities
20 projects, which I think has been handled very well and is
21 receiving a lot of attention, has been well coordinated and
22 I wanted to mention this. Has been well coordinated with
23 the Water Board and with Cal EPA.

24 And this is an instance where all of these
25 entities are working together to try to get their arms

1 around what is a perplexing problem and that is to try to
2 figure out what's appropriate, what's going on out there in
3 the field, and to really sort out what government needs to
4 be involved with and what government doesn't need to be
5 involved with.

6 And I just wanted to mention that.

7 And also I wanted to mention how excited I am
8 about the prospect of tiered permits. We're really pushing
9 the envelope on this one and I'm pleased to see us doing
10 that and I think that that's a very very significant
11 development in our regulatory history.

12 Okay. Now, I have a request from an individual of
13 the public who was spurred by my, our, discussion of
14 asbestos-containing waste. That is not an action item. It
15 was simply a matter of my committee report.

16 However, our agenda always has on it an item
17 called open discussion and it's appropriate now to hear
18 someone openly discuss asbestos-containing waste as any
19 other time.

20 So, Denise, why don't you.

21 MS. DELMATIER: Denise Delmatier, with the Gualco
22 Group on behalf of Norcal Waste Systems.

23 Obviously, we didn't anticipate this discussion
24 this morning.

25 BOARD CHAIRMAN HUFF: Surprise.

1 MS. DELMATIER: Surprise.

2 Obviously this is an issue of importance to Norcal
3 in that I will remind the Board that Norcal had a permit
4 before the Board, I think it was in September approximately,
5 on a landfill that receives asbestos-containing waste.

6 And at that time we had some difficulty in getting
7 staff to go out and inspect the facility because there was
8 this problem with Toxics and it was prior to the MOU.

9 Now we hear that the MOU has expired. So
10 revisions on that permit will be forthcoming. We
11 appreciated at the time the Board members themselves
12 intervening in getting inspections to take place because
13 what actually occurred, as you will recall, is that asbestos
14 was piling up all over Northern California because we
15 couldn't get inspections to occur.

16 So I think it would be very timely for the Board
17 to get Cal EPA involved and Toxics involved in coming
18 forward with a resolution on this issue.

19 BOARD CHAIRMAN HUFF: It will be in front of the
20 Permit Committee next month and I hope in front of the Board
21 also next month. Okay. I think we need to move quickly on
22 it.

23 I wanted to just bring it to everyone's attention
24 now so that they'll be looking for it.

25 And also I wanted to give people a chance to react

1 to what I have -- I directed staff to bring the item to the
2 Permit Committee along the outlines that I described, and
3 that is we're going to worry about getting the job done
4 first and then figure out how to finance it secondly. And
5 so I wanted to give people a chance to react to that also.

6 MS. DELMATIER: We've got a permit coming forward
7 on this issue.

8 And Mr. Sweetser just coincidentally happens to be
9 over at Toxics this morning on this issue trying to get
10 resolution from the Department.

11 BOARD CHAIRMAN HUFF: We will take up a collection
12 for his ransom if that's appropriate.

13 BOARD VICE CHAIRMAN CHESBRO: We could use some
14 help with Cal EPA in terms of letting them know from an
15 industry standpoint, because don't forget it's the general
16 surcharge that winds up paying for the -- there's a domino
17 effect going on here.

18 MS. DELMATIER: Right. We're aware of it.

19 BOARD VICE CHAIRMAN CHESBRO: If the surcharge
20 that's paid by the person who is disposing of municipal
21 waste and is paid through private and public operators is
22 going to wind up subsidizing this program, because of the
23 fact that the fees are going one place and regulatory
24 authority is in another for asbestos. We could use the
25 message being delivered to Cal EPA that they ought to try

1 to resolve the issue.

2 And so I would encourage you and other interested
3 parties who are affected by this to help us get that message
4 across.

5 BOARD MEMBER NEAL: You might suggest that they be
6 even more proactive than Mr. Huff has already described that
7 they're being.

8 BOARD CHAIRMAN HUFF: Mr. Relis.

9 BOARD MEMBER RELIS: I'd like to ask a question of
10 you, Ms. Delmatier.

11 You made reference to asbestos piling up, could
12 you elaborate on that?

13 MS. DELMATIER: Norcal had to shut down its
14 operation in order to facilitate an inspection taking place.

15 In other words, in order to get a board inspector
16 out there Norcal was basically required to stop accepting
17 the waste for I think it was about between a week and two
18 weeks as I recall.

19 Meanwhile the clients, of course, that was the
20 only place for those clients to take their waste. So
21 meanwhile clients in Northern California were stockpiling
22 the waste and we suspect, obviously, were out of compliance
23 with the storage requirements.

24 BOARD CHAIRMAN HUFF: They're up to their eyeballs
25 in asbestos.

1 MS. DELMATIER: But that was prior to the MOU and
2 we were encouraged when the MOU was developed and
3 implemented, and now we're back to the square one it seems
4 to me.

5 BOARD MEMBER RELIS: So you mean by piling up you
6 mean it's at their premises, waiting for someplace to send
7 it?

8 MS. DELMATIER: At the generator's site.

9 BOARD MEMBER RELIS: Okay. Thanks.

10 BOARD CHAIRMAN HUFF: Thank you very much.

11 We will move to Item 4 then.

12 It's time for the WRAP awards.

13 MS. MACHT: Good morning, Mr. Chairman. I'm Pat
14 Macht, Deputy Director for Waste Prevention and Education
15 Division. Good morning, Mr. Chairman, members of the Board.

16 Today we have as our special guest representatives
17 from five firms located in Sacramento County.

18 Each of these firms have received the 1993 Waste
19 Board's WRAP award for excellence in waste reduction.

20 For those of you who are unfamiliar with our
21 program I'd like to provide a brief description.

22 This award program recognizes the important role
23 that businesses play in the State's mission to reduce,
24 reuse, recycle and buy recycled.

25 Businesses throughout California have made

1 tremendous strides in recent years in integrating the waste
2 reduction ethic into their business ethic.

3 And this program by the Board honors those who
4 have demonstrated excellence in this regard.

5 They serve as models for all California
6 businesses.

7 This is not a competition among companies, but
8 rather a self-certification program in which each applicant
9 is scored against a standard. This standard was developed
10 by Board staff working right alongside of California
11 businesses.

12 Each of the awardees receive a certificate from
13 the Board as well as the right to use a special WRAP winner
14 logo on products, on advertising and on their promotional
15 materials.

16 This is our first year of the program and we have
17 144 businesses who have received this distinguished award.

18 I'm very pleased today that these five
19 representatives from these five businesses have graciously
20 agreed to come and share their stories with you.

21 We have asked them to briefly describe their
22 program and to particularly share the cost savings that they
23 have realized as a result of their initiatives.

24 And at this point I would like to introduce the
25 first of our guests, and that is Ted Jones, a business

1 called Eat your Vegetables. It's a all-you-can-eat salad,
2 soup, pizza, baked potato and bakery buffet. I think it's
3 kind of nearby too.

4 Through their extensive environmental program they
5 have diverted almost 80 percent of their trash from the
6 landfill.

7 Ted Jones, the owner of the business is extremely
8 active in Sacramento promoting responsible waste management
9 to others businesses.

10 And I'd like to turn it over to Ted.

11 MR. JONES: Good morning. Thank you for this
12 opportunity.

13 Just I'll be as brief as I can.

14 We started in business about four and a half years
15 ago, doing about half the sales volume that we're now doing.

16 We were generating three four-yard dumpsters of
17 trash per week. Now we generate one two-yard dumpster per
18 week.

19 And it's an ongoing process very involved running
20 restaurants, but I've kind of taken this on as a project
21 over the last four years, and helped -- in the Sacramento
22 area we started Generous Helping, which was taking leftover
23 food from restaurants, hospitals and hotels and getting
24 those to the emergency food providers and that's now in kind
25 of a model system throughout the country.

1 So quite a bit of our -- not quite a bit but a
2 small fraction of our waste goes to food donation.

3 The other area is reuse, such as cardboard, office
4 paper. I have some statistics, but basically I just took
5 item by item.

6 We had a lot of produce trimmings because we do
7 everything from scratch and it's fresh. I found after about
8 a year, found some exotic bird breeders that would pick up
9 the stuff. So that alleviates about six to seven hundred
10 pounds a week.

11 And it was just kind of an ongoing thing.

12 I finally convinced the County of Sacramento to
13 put us on in a compost pilot program, which has worked very
14 very well and takes out about a third of our waste just in
15 compost.

16 So we're now at this point when the awards were
17 handed out I think we were diverting 80 percent. We're now
18 diverting about 90 percent, so only about 10 percent is
19 going to the landfill.

20 So thank you very much.

21 BOARD CHAIRMAN HUFF: Thank you.

22 BOARD MEMBER NEAL: I just wanted to say --

23 (Applause.)

24 BOARD MEMBER NEAL: I know you have at least two
25 regular customers on this Board. So Wesley and myself. So

1 it's nice to meet you.

2 And I think you are serving as a really terrific
3 role model. Thank you.

4 BOARD CHAIRMAN HUFF: Ms. Neal, I've frequented
5 this establishment.

6 BOARD MEMBER NEAL: Let me correct my statement.
7 You have at least three regular customers that I'm aware of
8 on this Board.

9 BOARD VICE CHAIRMAN CHESBRO: Can I give a little
10 anecdote here?

11 A couple years ago at the Business and the
12 Environment Conference Ted was on a panel that I chaired and
13 it was a bunch of businesses talking about what they had
14 done.

15 And I tried to get Ted to tell what the financial
16 benefits of participating in these activities, these
17 recycling activities were and he kept saying that's not why
18 I do it, it's not why I do it.

19 I just wanted to point out that he's been in this
20 from the beginning even when the business was new and small
21 and was focused on the community responsibility involved and
22 not just the -- I was a little frustrated at the time
23 because I was trying to convince these other businesses in
24 the audience that they ought to think about doing some of
25 these things.

1 Nonetheless I think it's notable that Ted has
2 proceeded I think on the basis of commitment to the
3 community's environmental needs and that's I think real
4 commendable.

5 MR. JONES: Thank you.

6 BOARD CHAIRMAN HUFF: Thank you.

7 MS. MACHT: This was just handed to me.

8 BOARD CHAIRMAN HUFF: Is this a menu?

9 MS. MACHT: This is part of the menu. This talks
10 about -- a menu was handed to each of you in case you want
11 to go to lunch there today.

12 But in addition to that --

13 BOARD CHAIRMAN HUFF: We have to blow this up,
14 Pat. We can't read it.

15 MS. MACHT: Can you see it?

16 BOARD MEMBER NEAL: Don't bother.

17 MS. MACHT: Anyway, it talks about the donations
18 that they have given during the year. As you can see it
19 utilizes our WRAP award logo. So we're really pleased with
20 that.

21 Thank you.

22 Our next guest today is Erik Spiese of Jones and
23 Stokes Associates.

24 Jones and Stokes is an environmental consulting
25 firm that specializes in assisting clients with complying

1 with state and federal environmental laws.

2 The majority of their waste is in white computer
3 and ledger paper and they have an excellent record in being
4 able to divert 80 percent of the material in their waste
5 stream from going to the landfill.

6 And their program is run entirely on a volunteer
7 basis.

8 And so at this time I'd like to introduce Erik
9 Spiese.

10 MR. SPIESE: Thank you and good morning, everyone.

11 I guess I just have a couple comments.

12 Jones and Stokes has been around since the early
13 '70s and I've just joined them since about '89, '90, so it's
14 been around for a few years.

15 But ever since I've been there I've been involved
16 in the recycling program which started actually before I got
17 there.

18 But the thing I think is great about the WRAP
19 awards program and the thing that I take away from today is
20 the value that's associated with giving everyone at Jones
21 and Stokes a pat on the back for their efforts, because
22 their efforts are what won the award that we received a few
23 months ago.

24 And positive reinforcement, I think, is probably
25 one of the best ways to encourage desired behavior in the

1 individuals and businesses in the state.

2 So I think that this program is going to go a long
3 way to encourage recycling in the state and waste reduction.

4 So I applaud the Board's efforts in this program
5 and look forward to continued efforts in this area.

6 Our program, like Pat said, diverts about 80
7 percent of our waste and we continually try to improve it.
8 It's basically mostly paper. We also recycle aluminum and
9 glass and cardboard and also we recycle our laser toner
10 cartridges.

11 So that's where our revenue comes from from the
12 program. I don't have any figures on how much revenue we
13 get, but we actually use that to donate and sponsor
14 environmental programs in the local areas such as Creek Week
15 and possibly Clean Air Challenge, such programs as that.

16 So anyway we just look forward to continued
17 efforts in this area and thanks again.

18 BOARD CHAIRMAN HUFF: Thank you.

19 (Applause.)

20 MS. MACHT: Thank you.

21 Our next guest is Sheila Brimberry and Mary Torgen
22 from Sutter Memorial Hospital. Sutter, as you know, is one
23 of the largest hospitals in the Sacramento community and
24 they have done an outstanding job in reducing, reusing and
25 recycling.

1 At this point I'd like to introduce Sheila to
2 speak to you about her program.

3 MS. BRIMBERRY: Hello.

4 The program at Sutter Memorial really demonstrates
5 the impact of the combined efforts of the individuals in big
6 organization like ours. We have been able to decrease on a
7 monthly basis our waste, up to 25 percent of our actual
8 wastes are recycled. We would love to say 80 percent but
9 we're not there yet, but we're striving upward.

10 We've decreased our pulls to the landfill one per
11 week and so we feel that that's really an excellent outcome.

12 We are appreciative and I'm personally really
13 appreciative of the WRAP award because it's very motivating
14 to the employees to see something come from that.

15 And we've displayed the plaque and we include that
16 in all of our recognition.

17 Our program started three years ago and the scope
18 is paper, aluminum, glass and plastic 1 and 2.

19 Three years ago we started as a quality action
20 team with membership from administration, ancillary
21 departments, clinical staff and clerical as well as
22 management.

23 The key elements of the success of our program is
24 really the administrative support, encouragement and
25 recognition. This has been ongoing.

1 The unit representative part of our program is key
2 because in each the clinical and the nonclinical areas we've
3 had a coordinator who has been responsible for staff
4 education, helping to define what kinds of bins, et cetera,
5 are needed and placement of those bins as well as ongoing
6 appreciation, motivation and then evaluation on a
7 unit-by-unit level. So each unit can celebrate their
8 accomplishments.

9 The staff are also very committed.

10 We have a structured evaluation program so that
11 monthly we have statistics and we can monitor how well we're
12 doing and then look for new ways of improving.

13 Our plan for '94 is to expand this throughout
14 Sutter Community Hospitals. Even though each hospital has
15 their own areas of recycling and reuse and reduction we're
16 trying to look at a concept that we share, and also to
17 really focus on reuse and reduce in our '94 program.

18 Again, I want to thank you for the award.

19 BOARD CHAIRMAN HUFF: Thank you.

20 (Applause.)

21 MS. MACHT: I think each of those companies have
22 demonstrated how they have taken total organizational
23 approach to waste reduction and the role that each of the
24 departments might play in that.

25 One thing that struck the scorers on this award

1 was one instance in which one of the employees at the
2 hospital asked, sent a letter to an obstetrics supplier and
3 asked them to eliminate the 10 to 12 paper bags that went
4 into each new baby kit. And with the 6,000 new babies born
5 each year that one action can really have an impact.

6 Our next guest is Linda McAlpine from Park
7 Mechanical Incorporated. That's a mechanical contracting
8 company in Sacramento. They began their program in 1993 in
9 May of 1993 and they've been able to cut their waste service
10 in half.

11 And here to report to you about that program is
12 Linda.

13 MS. McALPINE: Good morning, Chairman Huff and
14 ladies and gentlemen.

15 And thank you, too, from our company for what
16 you've done for our company.

17 We're very pleased to receive this award, but what
18 the award has done has made the company proud in a different
19 way of belonging to Park Mechanical and we have seen the
20 difference in their activity since they've become involved
21 in the recycling portion of this.

22 We started through the Sacramento County Solid
23 Waste Management Division. They had a workshop last May.
24 And if it wasn't for that I'm not sure that we'd be here
25 today, because it's really hard for a business to know where

1 all the vendors are, to know where all the contacts are, and
2 to take time from their daily business to get that and
3 really organize that. So that one morning really helped us
4 so much.

5 And also the sponsors were, I think, KFBK and The
6 Business Journal, I believe. I'm not sure about that one.

7 What we did is we took -- what we learned from
8 that meeting and we followed their guidelines and did
9 everything the way that the successful companies had done
10 before us and it was very easy actually to put the program
11 together.

12 And what we've done in detail actually is to
13 follow the WRAP award suggestions.

14 And what this group is looking at I think is
15 starting at the source and to reduce waste at the source and
16 so we have certain things that we have done there.

17 Let's see. We have requested our printer to not
18 send things in cardboard anymore. They send either
19 shrink-wrapped or paper-wrapped orders.

20 We use shared memos. And actually that improves
21 the awareness among the employees because they kind of
22 discuss what they've read now, or what they're supposed to
23 read.

24 We use half-sheet fax papers. Nobody has that
25 much to say on a fax cover sheet.

1 We have a cloth towel roll. We have a
2 manufacturing division so there's a lot of hand washing
3 going on during the day and just installing a cloth roller
4 has cut our paper towel consumption down to about a third.
5 And that's not the only place we use paper towels, but that
6 is what has happened there.

7 We check the computer screen instead of printing
8 out every report. That has saved a lot of paper.

9 Now, getting down to the reuse section, we redo
10 file envelopes and use labels. Most file envelopes can last
11 a few uses. We reuse cardboard boxes that computer paper
12 comes in. And we have to keep our time cards forever and
13 ever so we have boxes and boxes of those.

14 We use -- we bought a plain paper fax machine and
15 we use the backs, we cross off the backs of once-used paper
16 and we use it in our fax.

17 We also use the same type of paper to work on our
18 drafts of letters, et cetera.

19 And we use it for non-public photocopies.

20 We recycle wood pallets and share them with other
21 people who need more. We stack them up until they can be
22 reused.

23 We have always used ceramic coffee mugs.

24 We share magazines in the lunch room. People
25 don't have to subscribe to so many magazines now.

1 We save our styrofoam packaging material so that
2 if we have to ship something delicate we can use what's
3 already been used once and we put a note in it to say why
4 not save this and send it back to us some time.

5 We recycle probably 100 percent of office paper.
6 I don't think anything much slips by, because we've had
7 meetings and at first we almost had the CIA mind set,
8 because people were examining the garbage to make sure that
9 the wrong, that good paper wasn't thrown away.

10 We recycle cardboard, paper, wood, aluminum,
11 glass, and metals.

12 It's really hard to get construction people
13 interested in this, because they're kind of like rodeo
14 cowboys, you know, out on the jobsite, but they're really
15 coming around.

16 But we feel like we do have quite good control
17 over what happens on the grounds.

18 We have, as I think at the beginning it was
19 mentioned, we have cut our waste stream in half. And we
20 feel that we're not contributing to the landfill quite as
21 much.

22 I'd be happy to, if there are any people who would
23 like to call, I'd like to share any lists I've made up and
24 help them get started with their recycling efforts also,
25 because it's really painless.

1 And everybody's recycling, we found, begins with
2 your own wastebasket and that's a very small territory to
3 monitor when you get down to it. We can all do it.

4 And thank you very much for what you've done for
5 the community and for Park Mechanical.

6 (Applause.)

7 MS. MACHT: Thank you, Linda.

8 We have another program that we're working on
9 called Peer Match, which we ask businesses to work with
10 other businesses in their industry and so we'll certainly
11 call on you to see if you'll be interested in helping us in
12 that cause.

13 Our final guest is Karen Martin from J and W
14 Scientific. J and W Scientific is a manufacturing
15 analytical laboratory, excuse me, they manufacture
16 analytical laboratory products.

17 Three years ago they began their waste reduction
18 program and today they divert practically all their paper
19 and cardboard from the landfill.

20 And is Karen here?

21 MS. MARTIN: Hello. My name is Karen Martin.
22 Thank you for allowing me to address the Board.

23 Last year when I heard about the WRAP program I
24 was excited because I believed that a program such as this
25 is an excellent vehicle for raising awareness of the need

1 for waste reduction in business.

2 Being a small company on the outskirts, we're in
3 Folsom, it was difficult for me to put together recycling
4 programs because most of the recyclers just wanted to stay
5 in Sacramento area and it's hard to get them to come out to
6 Folsom to pick stuff up.

7 But we now have Weyerhaeuser picking up all of our
8 waste paper and that totals about 800 pounds a month.

9 And the City of Folsom is picking up the cardboard
10 now.

11 We try to reduce and reuse wherever possible, use
12 remanufactured laser toner cartridges.

13 Something I would like to suggest since we are on
14 the outskirts I thought that perhaps if you were to start a
15 program which would be a cross between CalMax and a Ride
16 Share match list, recyclers aren't really interested in
17 coming out and picking up a small amount from me, but if
18 more of us were to ban together and they can come out and
19 get a larger quantity in similar areas, if we had a way of
20 connecting with other business I think that could be
21 helpful.

22 Thank you.

23 BOARD CHAIRMAN HUFF: Thank you.

24 (Applause.)

25 MS. MACHT: Thank you.

1 I think as each of the speakers has shown today
2 there's a great deal of work and effort that goes into
3 reducing waste at the worksite.

4 There's also a great deal of effort and
5 imagination that went into developing this whole program.

6 And I'd like to at this time to ask you to join me
7 in recognizing the architect of our program today, Deborah
8 Talbots.

9 Deborah, can you come up.

10 Deborah has shepherded this successful program
11 from its conceptual phase in its first year by putting
12 together a task force of businesses, both large and small,
13 and to provide input into the evaluation criteria.

14 She assisted in drafting the application and by
15 guiding the contractor carefully through the review and the
16 scoring process.

17 WRAP in its initial year reached over 8,000
18 businesses and that is, I think, due to the hard work of
19 Deborah and the contractor.

20 We, as I mentioned before, we have 144 businesses
21 who have received the award. We anticipate WRAP getting
22 bigger and bigger and we're very pleased that Deb has given
23 so much of herself to manage this program and we look
24 forward to working with her in the next year.

25 We have a little certificate of appreciation and

1 I'd ask you to join me in congratulating Deb on a job well
2 done.

3 (Applause.)

4 MS. MACHT: Thank you very much. That concludes
5 our presentation.

6 BOARD MEMBER NEAL: Just one comment.

7 Unfortunately a lot of times public education and
8 information is considered fluff and something less
9 significant that those activities in which we engage that
10 can be quantified by hard data.

11 And I believe that the businesses who are
12 represented here as well as the ones that we've heard from
13 around the state certainly flies in the face of that
14 perception of public education being something less
15 important.

16 I think this confirms that this is really how we
17 get people moving, we get information to them, they learn
18 what to do. We heard from one presenter that they probably
19 never would have done it had it not been for a workshop that
20 they attended.

21 So I would just like for you to remember how
22 critical and important our public education activities are
23 and also how well our WRAP awards have been received,
24 because I know that the contract to renew the support
25 services will be coming up soon.

1 BOARD CHAIRMAN HUFF: Well, how many WRAP awards
2 have we had?

3 MS. MACHT: 144 this year.

4 BOARD CHAIRMAN HUFF: And no one even required a
5 single person to apply, they all applied voluntarily.

6 MS. MACHT: Strictly voluntary.

7 BOARD CHAIRMAN HUFF: Strictly voluntarily. They
8 want this award. It's a positive for them and it's a
9 positive for us.

10 I think that's an important lesson also out there.
11 That's a voluntary program that provides a benefit in both
12 ways.

13 BOARD MEMBER RELIS: Mr. Chair.

14 BOARD CHAIRMAN HUFF: Yes.

15 BOARD MEMBER RELIS: I find these discussions or
16 hearing these presentations to be among the most valuable
17 things I've heard since I've been at the Board in terms of
18 how a business actually gets down to reducing and recycling.
19 And many important lessons learned from these businesses.

20 I just wondered whether given that each of the
21 businesses we've heard usually belong to associations and
22 whether it's possible for your office to write these up and
23 make them available to some of the association newsletters,
24 because I think that they go out to comparable businesses in
25 each sector that might be a way of even reaching more and

1 getting more recruits.

2 MS. MACHT: Yes. We appreciate your input on
3 that. We have put together descriptions of each of the
4 winners and we'll ensure they do get sent to the industry
5 newsletters and community trade group letters.

6 Thank you.

7 BOARD CHAIRMAN HUFF: Very good.

8 BOARD VICE CHAIRMAN CHESBRO: Mr. Chairman.

9 BOARD CHAIRMAN HUFF: Yes.

10 BOARD VICE CHAIRMAN CHESBRO: Just to round it out
11 here.

12 BOARD CHAIRMAN HUFF: Talkative bunch today.

13 BOARD VICE CHAIRMAN CHESBRO: I heard at least one
14 idea that maybe the Waste Prevention Task Force has already
15 thought of, but I hadn't, for this building, I've seen it
16 elsewhere, which was the cloth towel rolls that we see.
17 That ought to be looked at for this building, I think this
18 part of our program.

19 And what that points up to me is the value of the
20 peer match idea, that even for businesses that are in the
21 groove and trying to do things the ideas come from hearing
22 from other businesses what they have tried and what's worked
23 and what hasn't.

24 And I'd like to echo Pat's comments and reinforce
25 the importance of the idea of trying to find vehicles by

1 which these businesses' experiences can be passed along.

2 And then I had one last thought and that is, you
3 know, we travel around the state a lot and one of the
4 functions of that, of the Board meeting around the state is
5 to hear from some local folks, both in the private and
6 public sector about what's going in those communities. I
7 don't think we've done as good a job when we've met here in
8 Sacramento of recognizing and focusing on what's going on in
9 the Sacramento region.

10 And I wanted to compliment staff and say that it's
11 a good idea that we do some of that here, because there's a
12 lot going on, not just in Sacramento but in the surrounding
13 counties in the region, and the opportunity to recognize and
14 focus on some successes here has been very valuable.

15 MS. MACHT: Thank you for giving us the
16 opportunity. Thank you.

17 BOARD CHAIRMAN HUFF: Thank you.

18 With that we will move to Item 7.

19 Dan Gorfain, you're up.

20 MR. GORFAIN: Mr. Chairman, members of the Board,
21 Item 7 is the Market Development Committee recommendation to
22 designate Cycle 3 recycling market development zones.

23 We've had 13 applications and we, the committee
24 has recommended designating 12 zones.

25 The list of the zones being -- that have applied

1 is on page two -- on page 10, which is the second page of
2 this agenda item.

3 And the recommendations to approve to designate 12
4 out of the 13 excluding Lassen County at the bottom of that
5 list.

6 The reason, the overall reason is that the
7 committee felt that Lassen County did not quite meet the
8 criteria set for zone designation and recommended that staff
9 work with Lassen County to have that designation made at the
10 next cycle next year.

11 BOARD CHAIRMAN HUFF: Okay. Any questions of the
12 staff presentation?

13 Mr. Chesbro, you look like you're about to speak.

14 BOARD VICE CHAIRMAN CHESBRO: I was waiting to see
15 if the committee chairman had anything to say, but I do have
16 some comments.

17 I followed up the committee meeting with a letter
18 that I personally sent to the Lassen County Board of
19 Supervisors indicating that I thought that there was some
20 merit in the concept of a zone in their area but it was
21 pretty clear that they hadn't met many of the criteria.

22 And I particularly encouraged them to focus on the
23 question of regionalism so we could get adequate bang for
24 our buck so to speak by getting a greater waste shed, a
25 greater area that would be served.

1 But the letter was totally focused on the next
2 cycle, because there's a number of problems with the
3 application that they put forward.

4 In response there was a letter, which some of you
5 have received, I have copies for those of you that haven't
6 received it, and pass some down, from the Lassen County
7 Board of Supervisors, in which they made some effort to meet
8 some of the things that, some of the inadequacies in their
9 application.

10 And what they did was they attached letters from
11 the waste haulers from some surrounding counties indicating
12 an interest in participating in the zone program and in
13 support of it.

14 It's very positive to see that they have responded
15 quickly and that they have the level of interest that they
16 do.

17 However, in talking to staff it appears that
18 there's this, I hate to put it this way, but it's sort of
19 too little too late in terms of the process.

20 And so what I would like to reinforce is what the
21 committee asked the staff to do, which is, and have the
22 Board include that in the motion, which would be to ask
23 staff to work very closely with Lassen County on next year's
24 cycle in order to try to assist them in coming up with an
25 application that meets all the criteria.

1 My interest is both because there's a prison in
2 Susanville and apparently there's going to be another one,
3 and there's considerable opportunity for the type of
4 cooperation that we've seen in Folsom with the MRF.

5 In addition to that there is apparently interest
6 in regional cooperation. So if they could really get those
7 things pulled together in a tight application I think it
8 would be a good application for the Board to give positive
9 consideration to.

10 I don't think they have made the method test in
11 this cycle.

12 BOARD MEMBER HEIDIG: Mr. Chairman.

13 BOARD CHAIRMAN HUFF: Yes.

14 BOARD MEMBER HEIDIG: I would suggest to staff
15 that they might see if there's a resource conservation and
16 economic district. Oftentimes in rural areas not only are
17 there resource conservation districts, but there are special
18 districts that are also formed not only to conserve
19 resources but also to act as an economic stimulus. There
20 might be one in Lassen County or that regional area, as
21 Wesley Chesbro indicated, that could help spearhead kind of
22 a regional effort.

23 BOARD CHAIRMAN HUFF: Okay. Good suggestion.

24 Is there any further discussion or are we ready
25 for a motion?

1 BOARD MEMBER RELIS: Mr. Chair, I would move this
2 and I would note in the motion that the committee did expand
3 by two beyond the staff recommendations on the grounds that
4 those two had been ranked high and were very close in
5 scores. So with that I'll move the item.

6 BOARD VICE CHAIRMAN CHESBRO: Second.

7 BOARD CHAIRMAN HUFF: Okay. We'll have a roll
8 call, please.

9 BOARD SECRETARY KELLY: Board Member Chesbro.

10 BOARD VICE CHAIRMAN CHESBRO: Aye.

11 BOARD SECRETARY KELLY: Egigian.

12 BOARD MEMBER EGIGIAN: Aye.

13 BOARD SECRETARY KELLY: Heidig.

14 BOARD MEMBER HEIDIG: Aye.

15 BOARD SECRETARY KELLY: Neal.

16 BOARD MEMBER NEAL: Aye.

17 BOARD SECRETARY KELLY: Relis.

18 BOARD MEMBER RELIS: Aye.

19 BOARD SECRETARY KELLY: Chairman Huff..

20 BOARD CHAIRMAN HUFF: Aye.

21 Motion carries 6-0.

22 BOARD VICE CHAIRMAN CHESBRO: Can I make one other
23 comment in relation to the Chico application.

24 I wanted to bring it afterwards so that they
25 wouldn't have any time to sweat or have any heart

1 palpitations about whether there was any question about
2 approval.

3 But I had expressed some concerns at the committee
4 level that there are three very small zones very close
5 together in that part of the state and we strongly
6 encouraged discussions between those zones and our staff
7 work with the zones in terms of servicing them in a way that
8 encourages them to talk to each other about cooperation.

9 That was the only negative. Otherwise Chico had a
10 great application and I think the committee felt it was
11 important to approve it, but that was one concern was trying
12 to encourage the three zones to coordinate their efforts as
13 much as possible.

14 BOARD CHAIRMAN HUFF: Thank you very much.

15 Now, Mr. Gorfain, am I to understand then we
16 should regard subitem 3 in Item 9 as being pulled from the
17 agenda?

18 MR. GORFAIN: I think it's not ready for approval
19 this month at all.

20 BOARD CHAIRMAN HUFF: But we don't want to
21 disapprove it?

22 MR. GORFAIN: Correct.

23 Simply pulled altogether from the agenda.

24 BOARD CHAIRMAN HUFF: That one is pulled from the
25 agenda, so there can be no mistaking what our action is or

1 isn't.

2 MR. GORFAIN: We expect to be able to bring it
3 back to you next month.

4 BOARD CHAIRMAN HUFF: Very good. That takes us
5 then to Item 12, and that's one of yours also.

6 MR. GORFAIN: Yes.

7 Before I go on, I do want to add just a comment to
8 Ms. Neal's comment on Eat Your Vegetables. I just want to
9 be sure that the Board understands that lots of staff
10 members are also customers. I among them are a
11 card-carrying member of Eat Your Vegetables.

12 BOARD MEMBER NEAL: So you're suggesting that this
13 Board may be singlehandedly responsible for his doubling of
14 revenues since he opened?

15 BOARD VICE CHAIRMAN CHESBRO: We've also, though,
16 probably made his waste problem worse and he had reduce.

17 BOARD CHAIRMAN HUFF: I don't know. You see the
18 commercials, official sponsor of, this could be a official
19 restaurant of the Waste Board.

20 BOARD MEMBER EGIGIAN: Can we be sure that this
21 material he was throwing away now he's feeding back to the
22 customers?

23 BOARD CHAIRMAN HUFF: To the birds.

24 BOARD VICE CHAIRMAN CHESBRO: He takes a great
25 deal of pride in the freshness.

1 BOARD CHAIRMAN HUFF: Rescue us, Dan.

2 MR. GORFAIN: The next item, Item No. 12, consists
3 of the proposed implementation plan for expending 2.25
4 million of AB 1220 funds allocated by the Board for market
5 development program enhancements.

6 The Board has previously seen this plan
7 substantially as presented. The plan proposes, one, the
8 augmentation of recycling market development zone loan
9 program, loan fund, excuse me, by more than \$1 million.

10 It allocates \$865,000 for outreach activities to
11 local governments and to business.

12 And thirdly it recommends funds for agricultural
13 compost demonstration projects and round tables the amount
14 of \$350,000.

15 Since the last Board meeting staff has refined the
16 concepts based on comments from the Board and has began
17 implementing or working toward implementation of some of the
18 projects listed in order to commit the funds by the end of
19 the fiscal year.

20 In forwarding its recommendation to the Board the
21 most significant change that the committee, Market
22 Development Committee, made was to the allocation plan
23 use -- excuse me. The most significant change the Market
24 Development Committee made to the allocation plan you saw
25 earlier is that the amount going to the loan fund would be

1 reduced from \$1.2 million to just over \$1 million.

2 The allocation for direct assistance to each of
3 the market development zones will be increased from 10 to 15
4 thousand dollars and \$10,000 will be set aside for
5 augmentation to the division's budget to fund and upgrade of
6 the trade show exhibit booth that we have and also to
7 participate in some of the trade shows.

8 The recommendation of staff, and the committee, I
9 think, would concur, that any of the -- I believe the
10 committee also included that, that any funds that cannot be
11 encumbered by the end of fiscal year would then be put into
12 the loan fund.

13 And Board Member Relis is nodding acknowledgement
14 that that committee did in fact include that direction in
15 its recommendation.

16 This is the Market Development Committee
17 recommendations and that concludes my presentation.

18 BOARD CHAIRMAN HUFF: Questions of the staff
19 presentation?

20 BOARD MEMBER NEAL: Yes.

21 BOARD CHAIRMAN HUFF: Ms. Neal.

22 BOARD MEMBER NEAL: On the direct zone assistance,
23 we're doing 15,000 per zone?

24 MR. GORFAIN: Yes.

25 BOARD MEMBER NEAL: I just want to know how that

1 15,000 figure was arrived at?

2 MR. GORFAIN: Christy Porter can help answer that
3 question.

4 MS. PORTER: Actually originally the amount was
5 going to be a little bit higher on that, but according to
6 our contracts office local governments have to pass a
7 resolution to enter into a contract with us if it's over
8 \$15,000.

9 And in the interest of making it easier on the
10 local governments we felt rather than going at the 16,000
11 level to reduce it to the 15,000.

12 BOARD MEMBER NEAL: Okay.

13 BOARD CHAIRMAN HUFF: I'm all for making things
14 easy on local government.

15 BOARD MEMBER NEAL: I agree. I guess my -- I
16 appreciate that answer. It makes a lot of sense.

17 I think this is probably one of the more important
18 things that we can do on this list.

19 I wish there were a way that we could provide them
20 at least the option if they wanted to do a resolution to go
21 over that ceiling. I don't know if there is a way to work
22 that out.

23 MR. GORFAIN: One way might be that the Board in
24 its action provide the flexibility to take some more money
25 out of the loan -- money going to the loan fund if in fact

1 there is interest expressed by local governments and reduce
2 the amount going to the loan funds, into the loan fund. But
3 that's my recommendation. I don't think it was considered
4 by committee.

5 BOARD MEMBER RELIS: Mr. Chair, I think that's a
6 worthy idea. I would put the caveat on it, though, that we
7 want to make sure these funds get encumbered and not get
8 caught in the middle.

9 So if there's a way of doing that that could be
10 acceptable, but I don't know what assurance you can give us.

11 So what do we do with that?

12 BOARD MEMBER NEAL: I certainly don't know. Do we
13 have any experts here that can answer that?

14 BOARD CHAIRMAN HUFF: Mr. Heidig is poised to
15 speak.

16 BOARD MEMBER HEIDIG: Not to volunteer to be an
17 expert but I would just ask the staff to what extent do you
18 expect each zone to apply for the \$15,000, because they
19 would have to apply for that amount of money; isn't that
20 correct?

21 MR. GORFAIN: Yes. That's correct.

22 I think most of them will apply, if not all of
23 them. We've had some indication of resistance from one
24 zone, but I don't know how serious it is at this point.

25 But I think most of them will welcome the

1 opportunity.

2 We did meet with the zones in two workshops in
3 Northern California and Southern California in the last
4 couple of months and we told them that this may be
5 forthcoming and I think most of them were rather interested
6 because it will help them market the zones.

7 BOARD MEMBER NEAL: In my conversation with
8 different zones they are anxiously awaiting the opportunity
9 to get their hands on this money.

10 BOARD CHAIRMAN HUFF: This item exists because it
11 is our perception that we are being responsive to the
12 expressed needs of the zones.

13 BOARD MEMBER RELIS: That's correct.

14 BOARD CHAIRMAN HUFF: And there's always one I
15 guess.

16 MR. GORFAIN: Always.

17 BOARD VICE CHAIRMAN CHESBRO: There's a couple of
18 other ways also that we've addressed this question. One is
19 some of other contracts are focused on things that such as
20 the business lead tracking system that should be of support
21 of zones, but I think it's real important for us to
22 reinforce as a Board that that's the way we want them used
23 is in direct support to the zones' concerns and priorities.

24 And then also in the, I think it was approved in
25 the consent agenda if I remember correctly, but the

1 financial support contract for the zone program, there's a
2 significant shift of how that time will be used. Instead of
3 it being used predominantly to support our staff the idea is
4 that we'll be providing -- much of their time will be spent
5 providing technical assistance to the zones.

6 So that's not to counter the need to increase this
7 money as much as possible and I concur with your point,
8 Ms. Neal. I just wanted to point out there's other --

9 BOARD MEMBER NEAL: Let me ask you a question.

10 If we pass the item out as presented today would
11 there be any opportunity for example if staff went and
12 looked between this meeting and the next meeting and
13 determined there was a way for us to have some flexibility
14 to grant those local jurisdictions who were so inclined to
15 do a resolution? Would there be an opportunity to go back
16 and revisit for example the allocation to the loan fund or
17 the augmentation to the loan fund to draw some out?

18 BOARD MEMBER RELIS: May I make one suggestion on
19 this?

20 Perhaps we could break it into two issues. We
21 could approve a minimum 15,000 allocation today so we know
22 that that's locked in.

23 BOARD CHAIRMAN HUFF: That's what she's doing.

24 BOARD MEMBER RELIS: And then come back to us if
25 there's a way to do it.

1 BOARD CHAIRMAN HUFF: Yeah. The question is one
2 of time frames.

3 What's the latest we can act and still encumber
4 the money with regard to providing assistance to zones?

5 MR. GORFAIN: Probably May.

6 BOARD CHAIRMAN HUFF: And if we have a pot then of
7 1,035,000 probably by May you will have a better picture as
8 to how much of that is flowing.

9 And so it would look like some adjustment to the
10 two pots could be made in the May meeting. Is that still
11 okay?

12 MR. GORFAIN: That's a possibility.

13 BOARD MEMBER NEAL: April?

14 BOARD CHAIRMAN HUFF: Should it be April?

15 BOARD MEMBER RELIS: Point of clarification.

16 MR. GORFAIN: The latest would be April, I mean
17 the latest would be May, but we may be ready in April.

18 BOARD MEMBER RELIS: Mr. Chair, clarification.

19 I thought what we were referring to here is the
20 200,000 portion not the whole potential loan money.

21 Am I confused on this?

22 MR. GORFAIN: Let me see if I can clarify.

23 We started out last month, I think it was, still
24 at 1.2 million going into the loan fund so we've reduced
25 that and taken the difference and put it into this direct

1 zone opportunities.

2 I would like to make a suggestion just in the
3 interest of streamlining and coming back to the Board, that
4 perhaps the Board authorize staff to increase the amount to
5 individual zones who are interested by up to a certain
6 amount.

7 BOARD CHAIRMAN HUFF: Well, that was the other
8 option.

9 MR. GORFAIN: And then come back.

10 BOARD CHAIRMAN HUFF: There is a Plan A and a Plan
11 B.

12 Plan A, Method A, and I'll throw them both out to
13 the Board, Method A is to simply ask for you guys to come
14 back either in April or May, makes no difference to me, and
15 you just told me that either month is doable, and tell us in
16 the aggregate is there going to be any of the million left
17 over in the loan program, in the augmentation, and if the
18 answer is yes, then you're going to have to have a way for
19 us to deal with that anyway.

20 And the obvious answer is to plug some of it into
21 zone assistance. So that's Plan A.

22 Plan B is for us to launch this thing today and
23 give you flexibility to increase by borrowing or taking from
24 the loan augmentation up to a certain amount, say \$5,000 per
25 zone, and that's a possible. And just at the request of the

1 particular zones you can augment their 15 up to 20, in my
2 example.

3 BOARD MEMBER RELIS: Mr. Chair, I like that latter
4 one because I think it gives a definition. I'm just
5 concerned about the amount of ambiguity there might be for
6 staff knowing when there's going to be sufficient loan
7 demand or not in the time frame we're talking about. So I
8 would prefer the latter.

9 BOARD MEMBER NEAL: The second one makes some
10 sense to me, but can we up it 10,000?

11 BOARD CHAIRMAN HUFF: You can pick a number.

12 BOARD MEMBER RELIS: I think that's fine.

13 BOARD MEMBER NEAL: I figure that's what happened
14 with the 5 so I just picked a different one.

15 BOARD MEMBER RELIS: Let's go with 10.

16 BOARD CHAIRMAN HUFF: I'll bite my tongue.

17 BOARD VICE CHAIRMAN CHESBRO: So moved.

18 BOARD CHAIRMAN HUFF: Then we have a motion in
19 front of us, and the motion is that we approve the staff
20 recommendation, committee recommendation with the amendment
21 that staff may augment the zone assistance item up to
22 \$10,000 per zone and reduce a corresponding amount the zone
23 loan augmentation.

24 BOARD VICE CHAIRMAN CHESBRO: If the local
25 jurisdiction can meet the resolution requirements.

1 BOARD CHAIRMAN HUFF: Yeah.

2 BOARD MEMBER NEAL: Second. I'm sorry, we don't
3 do seconds.

4 BOARD CHAIRMAN HUFF: We don't second.

5 BOARD MEMBER NEAL: We do the Senate style.

6 BOARD CHAIRMAN HUFF: Senate rules.

7 BOARD MEMBER NEAL: I retract any second then.

8 Consider it an aye vote.

9 BOARD CHAIRMAN HUFF: It was moved by Mr. Relis.

10 Roll call.

11 BOARD SECRETARY KELLY: Board Member Chesbro.

12 BOARD VICE CHAIRMAN CHESBRO: Aye.

13 BOARD SECRETARY KELLY: Egigian.

14 BOARD MEMBER EGIGIAN: Aye.

15 BOARD SECRETARY KELLY: Heidig.

16 BOARD MEMBER HEIDIG: Aye.

17 BOARD SECRETARY KELLY: Neal.

18 BOARD MEMBER NEAL: Aye.

19 BOARD SECRETARY KELLY: Relis.

20 BOARD MEMBER RELIS: Aye.

21 BOARD SECRETARY KELLY: Chairman Huff.

22 BOARD CHAIRMAN HUFF: Aye.

23 Motion carries 6-0.

24 We're at Item 14.

25 MR. GORFAIN: That's mine again.

1 BOARD CHAIRMAN HUFF: Yes; it is.

2 MR. GORFAIN: Mr. Chairman, members of the Board,
3 Item 14 recommends some revisions to the Board's recycling
4 tax credit application review process designed to enhance
5 the Board's ability to handle applications and appeals and
6 appropriately protect the confidentiality of tax-related
7 information submitted as part of the applications.

8 Although the program sunsetted at the end of 1993
9 the Board will continue to accept applications for tax
10 credits through most of this calendar year.

11 In addition, pending legislation may extend the
12 tax credit program perhaps indefinitely.

13 As you can see from the item before you in your
14 agenda packet, staff conducted extensive and thorough
15 research into the way that other state agencies carry out
16 similar or analogous statutory authorities.

17 It has also consulted with the Franchise Tax
18 Board, which must ultimately allow these credits on state
19 tax returns.

20 Accordingly, staff proposes the following process
21 for considering recycling tax credit applications and
22 appeals.

23 And you may want to look at the Attachment 3a in
24 your packet.

25 Staff will continue to review applications and

1 issue certificates of eligibility pursuant to the Revenue
2 and Taxation Code and Board regulations. That authority is
3 vested in Ralph Chandler or his designee at this point.

4 In the event that staff determines that an
5 applicant is ineligible to receive tax credit, staff will
6 notify Board members of its determination at least five
7 working days prior to sending notification of that
8 determination to the applicant.

9 This is primarily a heads-up type of step.

10 Staff will then so notify the applicant and inform
11 him or her of their right of appeal.

12 Upon receipt of a letter of appeal from the
13 applicant the chair of this Board will designate an ad hoc
14 panel consisting of no more than two board members and staff
15 to hear the specific appeal.

16 In other words, an ad hoc committee for each
17 specific appeal.

18 The ad hoc committee's determination will be final
19 and will be the final administrative remedy available to the
20 applicant.

21 Before concluding my presentation I just want to
22 give you a sense of magnitude of what we're talking about.
23 To give you an idea, we have thus far processed 147
24 applications. We have approved 92, denied 25. We have had
25 one appeal which did come before the Board. We have 27

1 pending applications at this point and expect to receive
2 approximately 25 more under the law which sunsetted the end
3 of 1993.

4 Thank you.

5 BOARD CHAIRMAN HUFF: So we have already seen the
6 bulk of the applications that we expect to see?

7 MR. GORFAIN: Yes. Under the current law.

8 BOARD CHAIRMAN HUFF: Under the current law.

9 And although there is a bill in the Legislature to
10 extend this tax credit, there were two last year and they
11 both bit the dust.

12 MR. GORFAIN: Yes.

13 BOARD CHAIRMAN HUFF: Okay.

14 BOARD MEMBER HEIDIG: Mr. Chairman, question of
15 staff.

16 Why was it suggested to go to an ad hoc with a
17 number unspecified and not to follow one of the three models
18 by other State agencies?

19 MR. GORFAIN: I think Catherine Tobias might want
20 to address that.

21 BOARD COUNSEL TOBIAS: What we're suggesting is
22 that it be an ad hoc committee of two members or less and
23 that would not be -- meet the requirements of the
24 Bagley-Keene Act.

25 What we're trying to balance here is the State law

1 that requires confidentiality of income tax information
2 and -- or tax information, sorry, and then the Bagley-Keene
3 Act.

4 And ad hoc committee that is appointed for each
5 appeal that would consist of two members or less would not
6 come under the Bagley-Keene Act.

7 BOARD MEMBER HEIDIG: That still doesn't answer
8 the question why is it a nonspecified number that are in the
9 ad hoc committee? An unspecified number in that you could
10 include any number of staff.

11 BOARD COUNSEL TOBIAS: I thought we talked about
12 this.

13 MR. GORFAIN: I think I may have not been very
14 clear, Mr. Heidig.

15 The recommendation is that it will be no more than
16 two board members and one staff member, namely, the
17 executive director or his designee.

18 BOARD CHAIRMAN HUFF: So it would be a
19 three-member.

20 MR. GORFAIN: Could be up to three-member.

21 BOARD CHAIRMAN HUFF: Up to a three-member.

22 BOARD MEMBER RELIS: What you're trying to achieve
23 with that is just a lot of flexibility if you need to meet
24 on short notice you can pull together a quorum.

25 BOARD COUNSEL TOBIAS: Well, yes. And that way it

1 would be the chair appointing that committee each time there
2 is a need for an appeal.

3 So it probably would be a different group of
4 people on each appeal.

5 BOARD MEMBER EGIGIAN: How does this differ from
6 what Mr. Heidig is asking? You said that there's already
7 provisions that could handle this? Did I understand it
8 right?

9 BOARD MEMBER HEIDIG: I just -- there is three
10 models that are provided in Attachment 1, California Energy
11 Commission, California Employment Development Department,
12 and the California Tax Credit Allocation Committee.

13 It would seem to me that applicants applying would
14 want some sort of predictability in state government and
15 that it could put us at some sort of risk on an appeal.

16 BOARD COUNSEL TOBIAS: Well, looking at these
17 quickly and that was not a question we were asked, we were
18 asked about the issue of confidentiality versus the open
19 meetings law.

20 It appears in reading this very quickly that most
21 of these are reviewed by staff. I feel like it's important
22 that if an applicant comes in here and staff decides, the
23 committee decides that it's not going to be accepted that
24 that person have an appeal to the Board to the appointing
25 members and not to be left out of staff level.

1 So that's my opinion.

2 BOARD CHAIRMAN HUFF: Looking at the Energy
3 Commission one the appeal goes to the full Commission.
4 They've not dealt with an appeal. They would have a problem
5 of Bagley-Keene, would they not?

6 BOARD COUNSEL TOBIAS: One of the State bodies,
7 and I don't remember, to be honest, which one it is, has an
8 exemption in State law.

9 If this program was going forward then that's what
10 we would have recommended is that we go get an exemption to
11 this.

12 What this is to deal with is the few appeals that
13 might come forward.

14 BOARD CHAIRMAN HUFF: We have 50 possible, right?
15 We had 27 pending and we expect another 25?

16 BOARD VICE CHAIRMAN CHESBRO: We've only had one.

17 BOARD CHAIRMAN HUFF: We've had one out of 90;
18 right?

19 MR. GORFAIN: Out of 140 some odd.

20 BOARD CHAIRMAN HUFF: We've had one out 140, we
21 now have 50 left.

22 BOARD COUNSEL TOBIAS: On a magnitude problem it
23 seemed like this was the best way to do it.

24 I do understand Mr. Heidig's point on consistency.
25 I do think that's important.

1 But the best way to do this obviously would have
2 been to have an exemption put through the Legislature so
3 that we could have honored people's confidentiality.

4 I think as you'll notice in the packet, the other
5 way to do this is to ask people to waive the confidentiality
6 of the records and I felt on balance that this was a good
7 way to strike that balance.

8 BOARD CHAIRMAN HUFF: Okay.

9 BOARD MEMBER NEAL: Just an observation on
10 predictability.

11 I think people are more concerned with
12 predictability of process than personalities and as long as
13 we clearly outline the process I think that we have
14 certainly been responsible and responsive in allowing and
15 providing that kind of consistency.

16 BOARD CHAIRMAN HUFF: Well, yes.

17 But it is clear that we would be handling it
18 differently than say the Energy Commission handles appeals
19 in their program, or EDD or the Tax Credit Allocation
20 Committee.

21 But then neither the Energy Commission nor the Tax
22 Allocation, Tax Credit Allocation Committee have ever seen
23 an appeal yet, and EDD is a department structure.

24 So I'm not sure that the parallels are complete
25 enough that we can really be consistent. And I think it's

1 diminimus anyway. I mean we may not even see another appeal
2 at all. And if we see more than one it will be surprising
3 to me.

4 MR. GORFAIN: This may be a very workable process
5 which others may draw in the future.

6 BOARD CHAIRMAN HUFF: Yeah. We are balancing
7 confidentiality with Bagley-Keene and that's a difficult
8 balance to strike.

9 Any other discussion?

10 BOARD MEMBER RELIS: I move.

11 BOARD CHAIRMAN HUFF: It's been moved.

12 Roll call.

13 BOARD SECRETARY KELLY: Board Member Chesbro.

14 BOARD VICE CHAIRMAN CHESBRO: Aye.

15 BOARD SECRETARY KELLY: Egigian.

16 BOARD MEMBER EGIGIAN: Aye.

17 BOARD SECRETARY KELLY: Heidig.

18 BOARD MEMBER HEIDIG: Aye.

19 BOARD SECRETARY KELLY: Neal.

20 BOARD MEMBER NEAL: Aye.

21 BOARD SECRETARY KELLY: Relis.

22 BOARD MEMBER RELIS: Aye.

23 BOARD SECRETARY KELLY: Chairman Huff.

24 BOARD CHAIRMAN HUFF: Aye.

25 Motion carries 6-0.

1 That takes us to Item 22.

2 Mr. Okumura, good morning.

3 MR. OKUMURA: Good morning, Mr. Chairman and
4 members of the Board.

5 Agenda Item 22 is being presented to the Board for
6 consideration of concurrence in the issuance of a new solid
7 waste facilities permit for Grover Environmental Products
8 Composting Facility, Stanislaus County.

9 In this case the Board is the EA. Mr. Tom Unsell
10 will be making the staff presentation.

11 BOARD CHAIRMAN HUFF: Let me -- did you bring show
12 and tell for this one or is that another one?

13 MR. OKUMURA: No. This is for another item.

14 BOARD CHAIRMAN HUFF: Another item.

15 I'm going to take some of your lines, Tom.

16 This is not on consent. It would otherwise be on
17 consent. This sort of permit, this sort of facility, there
18 are no problems. It would otherwise be on consent except
19 that we are the EA and as chair of the Permits Committee
20 it's been my practice not to put on the consent calendar
21 anything for which we are the EA because it just looks like
22 we're rubber stamping ourselves. And I didn't want to do
23 that. That's why this item is not on consent. It's not to
24 imply anything is in any way really controversial or amiss
25 with this facility. It's a good facility. But it's not on

1 consent because we are the EA.

2 So, Tom, if you have more to say.

3 BOARD MEMBER NEAL: I would move the item.

4 BOARD CHAIRMAN HUFF: It's been moved.

5 MR. UNSELL: Took the words out of my mouth.

6 BOARD CHAIRMAN HUFF: Roll call.

7 BOARD SECRETARY KELLY: Board Member Chesbro.

8 BOARD VICE CHAIRMAN CHESBRO: Aye.

9 BOARD SECRETARY KELLY: Egigian.

10 BOARD MEMBER EGIGIAN: Aye.

11 BOARD SECRETARY KELLY: Heidig.

12 BOARD MEMBER HEIDIG: Aye.

13 BOARD SECRETARY KELLY: Neal.

14 BOARD MEMBER NEAL: Aye.

15 BOARD SECRETARY KELLY: Relis.

16 BOARD MEMBER RELIS: Aye.

17 BOARD SECRETARY KELLY: Chairman Huff.

18 BOARD CHAIRMAN HUFF: Aye.

19 Motion carries 6-0.

20 Thank you.

21 23, Doug.

22 MR. OKUMURA: Agenda Item No. 23 is being
23 presented to the Board for consideration of revised Board
24 policy for maintaining the inventory of solid waste
25 facilities which violate State minimum standards.

1 Mr. John Bell will make the staff presentation.

2 MR. BELL: Mr. Chairman, members of the Board, for
3 over a decade the Board has been required to maintain either
4 a listing or an inventory of facilities which violate State
5 minimum standards.

6 This inventory process was last approved and
7 reviewed by the Board in May of 1992.

8 Basically it requires the Board to issue a notice
9 of intent to the owner-operator of a solid waste facility
10 whenever they are proposed to be included in the inventory
11 for violations of State minimum standards.

12 If the operator has not corrected violations
13 within 90 days the Board sends a letter notifying them of
14 their inclusion in the inventory unless they appeal.

15 Once included in the inventory the operator must
16 enter into a compliance agreement with the local enforcement
17 agency to correct violations.

18 If violations are corrected the facility is
19 removed from the inventory.

20 If not the LEA should take further action as
21 stipulated in the compliance agreement.

22 If violations continue for over a year the LEA was
23 required to revoke the solid waste facility permit.

24 So we are here today to ask the Board to change
25 its past inventory policy. The passage of AB 1220 late last

1 year is the reason.

2 We feel our new proposed policy changes are in a
3 spirit of AB 1220.

4 They reduce regulatory overlap by relying
5 primarily on the local enforcement agencies for input into
6 the inventory process through their monthly inspections.

7 They enhance the Board's participation in LEA
8 training, assistance and evaluation by de-emphasizing the
9 Board's direct role in compliance and by reducing the number
10 and frequency of State inspections and by optimizing our
11 own resources here at the Board.

12 And finally they focus the local enforcement
13 agency and Board staff resources on the most serious
14 violators rather than triggering the issuance of a notice of
15 intent for just one minor violation of the State minimum
16 standards.

17 We have also modified the appeal process for
18 operators because AB 1220 eliminated the requirement that
19 LEAs revoke the solid waste facilities permits if violations
20 were not corrected within one year.

21 We believe most issues will be operational in
22 nature and can be resolved at the deputy director for
23 permitting and enforcement level.

24 The Board is still the ultimate appeal authority
25 in this process.

1 We have taken the proposed changes in this agenda
2 item before the 1220 work group which had industry and
3 representatives of the Water Board and our own staff, and we
4 have mailed it to the LEAs and solicited their comments.

5 Their comments have generally been favorable and
6 many have been used in this proposal.

7 So therefore we recommend that the Board accepts
8 staff recommendations to change this inventory policy.

9 BOARD CHAIRMAN HUFF: Any questions of staff
10 presentation?

11 Ms. Neal.

12 BOARD MEMBER NEAL: I have a question on No. 3
13 about altering the guidelines for issuance of the NOIs.

14 I mean generally we're talking about only focusing
15 NOI attention on serious and/or chronic violations.

16 MR. BELL: Essentially it's up to the LEA and the
17 Board staff to look at the nature of the violations. Many
18 like litter are something that can occur on again, off
19 again. A lot of special occurrences, something like that,
20 we wouldn't want to be bringing a whole facility to the
21 Board for listing for that purpose.

22 BOARD MEMBER NEAL: Are we going to have any
23 specific standards for determining where that dividing line
24 is between nonserious and serious?

25 MR. BELL: Well, right now we have been not

1 looking at going to the OAL or developing new regulations
2 which specify that.

3 We're hoping that by working with the LEA and
4 looking at the nature of the violations and discussing it
5 with that on a site-by-site situation that we can take care
6 of that, that we won't have to go for additional
7 regulations.

8 But to actually set down a specific policy for
9 doing that we would need to go through OAL.

10 BOARD VICE CHAIRMAN CHESBRO: So you can't
11 distinguish in a policy way the difference between the
12 litter violation versus something that's considered a
13 significant --

14 MR. BELL: We would in a general way that we've
15 set it. I think that wouldn't be a problem.

16 When you start getting specific and say, well, has
17 it been four litter violations reoccurring, is that the time
18 we do it or that sort of thing?

19 BOARD CHAIRMAN HUFF: That gets to be underground
20 regulations.

21 BOARD MEMBER NEAL: Maybe what I don't understand,
22 we're talking about altering existing items; right?

23 MR. BELL: That's correct.

24 BOARD MEMBER NEAL: So in altering --

25 MR. BELL: The existing situation is for any

1 violation that automatically goes to the process. You can
2 have one violation of one standard, say log of special
3 occurrences at one time at the site and it goes through the
4 whole process.

5 BOARD COUNSEL TOBIAS: Can I try to jump in here?

6 BOARD CHAIRMAN HUFF: Yes.

7 BOARD COUNSEL TOBIAS: Let me try to clarify what
8 Mr. Bell is saying.

9 If you wanted to go to a criteria system where you
10 actually were going to try to develop guidance 1, 2, 3, 4, 5
11 on what you were going to look at here, then my
12 recommendation would be that we do it in the form of
13 regulations which are duly adopted and allow the LEAs and
14 anybody else who's concerned to come forward and comment on
15 that system or that criteria that you're going to develop to
16 do that.

17 And that might be appropriate for the coming year
18 if you wish to do that.

19 I think what we're moving to in this particular
20 proposal is going from something where every violation, no
21 matter what it is, would have put the facility onto this
22 list to a point, to a situation where the Board and the LEA
23 can basically try to decide whether a site should be on the
24 list.

25 But if you want to actually go to criteria then my

1 recommendation would be to go into a regulation adoption
2 process.

3 CHIEF DEPUTY DIRECTOR RICE: If I could amplify
4 slightly.

5 My understanding would have been that the intent
6 of changing the procedure would be to be utilizing this list
7 as a way of identifying facilities which threaten public
8 health and safety or the environment.

9 If you have minor infractions or violations of a
10 State minimum standard, but it is not something that you
11 would want to publicize in a list that we are required to
12 provide to the Legislature and the public twice annually, I
13 think this is intended to be a list of facilities which
14 there is something to be very concerned about.

15 So I think the intent is to distinguish between
16 violations which do pose a threat, immediate threat to
17 public health and safety or the environment and those which
18 do not.

19 BOARD MEMBER NEAL: Now I understand that.

20 I guess where I'm still a little fuzzy, maybe you
21 can work with me and to borrow a line from a current movie,
22 explain this to me like I'm a six-year-old.

23 We're talking about altering guidelines, right? I
24 understand that we're looking at facilities that endanger
25 public health and safety.

1 But to me in some cases that could be a subjective
2 determination.

3 And in looking at that I'm trying to figure out
4 how do we minimize the subjectivity in that.

5 And, you know, I guess I don't understand if with
6 this we're altering guidelines and I think what I'm talking
7 about is along the line of guidelines, if we're going to
8 alter them here why do we not have to go through an OAL
9 process?

10 CHIEF DEPUTY DIRECTOR RICE: I'm not aware that
11 we've ever actively utilized this list or used these
12 guidelines.

13 Correct me if I'm wrong, John, but I've never seen
14 periodic lists of sites in violation of State minimum
15 standards. So really --

16 MR. BELL: That's correct.

17 CHIEF DEPUTY DIRECTOR RICE: -- what we're talking
18 about doing here is something for the first time.

19 So I too am a little confused by the discussion of
20 modifying prior Board guidelines that have been used to list
21 sites, because I've never seen any such lists.

22 I don't think it would necessarily be that
23 subjective or that complicated to look at the minimum
24 standards and see which ones are for example litter,
25 operational issues which can be fixed a day or two or a week

1 or two as opposed to situations that do pose a threat.

2 And I'm no expert, but I would think you could
3 look through the minimum standards and get a pretty good
4 read without it being too subjective.

5 But I don't believe we're fundamentally changing
6 anything we have been doing because we hadn't been doing it.

7 BOARD MEMBER EGIGIAN: Why are we doing it?

8 CHIEF DEPUTY DIRECTOR RICE: It's mandated in the
9 law.

10 BOARD MEMBER EGIGIAN: It is mandated?

11 CHIEF DEPUTY DIRECTOR RICE: Yes.

12 BOARD VICE CHAIRMAN CHESBRO: So we have, even if
13 it hasn't been utilized, we have a line that's been drawn
14 that says what's in.

15 And we're talking about moving that line in a way
16 that is less restrictive and less -- not restrictive, that's
17 the wrong way to put it. Less inclusive and less
18 potentially intrusive to operators by way of the minor
19 violation.

20 It seems to me that we would just be doing the
21 same thing if we drew the line clearly. We would be drawing
22 it in a slightly different place that is less burdensome to
23 everyone involved.

24 So why that would be considered underground
25 regulations or a new regulatory initiative --

1 BOARD CHAIRMAN HUFF: Let me try. Let me try.

2 You have to take the totality of what was done in
3 1982 as opposed to what the requirement of 939 was in 1989
4 and what we're doing now.

5 What we did in May was at the Board level we
6 adopted, and I remember this, it was controversial at the
7 time, we adopted a method on implementing section of the PRC
8 and we simply said if there's minimum violation or violation
9 of minimum standards, that triggered a section of law, and
10 listed facilities.

11 It was controversial because that could lead to
12 the revocation of permit after one year if the facility was
13 found in continued violation. That's a rather Draconian
14 consequence and for that reason I think that's why we've
15 never gotten to that list and never gotten to that point.

16 Is that correct, John?

17 MR. BELL: That's correct.

18 EXECUTIVE DIRECTOR CHANDLER: I want to also point
19 out, Mr. Chairman, that many times these facilities are on
20 three-, four-year plan.

21 BOARD CHAIRMAN HUFF: That's right.

22 EXECUTIVE DIRECTOR CHANDLER: To come into
23 compliance based on perhaps a Water Board compliance
24 operational plan and at the end of the year they're showing
25 progress and under the previous situation we were required

1 because we've never really implemented our previous. What
2 I'm suggesting is, one, that one could have made the
3 argument that our prior policy as underground regulation.
4 Okay. But our defense would have been that it was very
5 clear. We already have State minimum standards in
6 regulation.

7 Correct, Counsel?

8 BOARD COUNSEL TOBIAS: Right.

9 BOARD CHAIRMAN HUFF: And we already have in law a
10 requirement to put people on a list of facilities that
11 violate State minimum standards.

12 So I'm saying it's open and shut. Didn't work,
13 but it was open and shut. It was very clear.

14 You could argue that maybe we should have done it
15 by regulations, but we had a rebuttal.

16 In this instance we're going in between, we're
17 drawing a line in the middle and it's not clear. Okay.

18 There are still State minimum standards. We
19 aren't modifying State minimum standards, we're just
20 modifying what it takes to be on the list.

21 And I would suggest there that it is pretty clear
22 that if we are going to spell out exactly what it is to be
23 on that list in writing that we'd have to undertake a
24 regulation process.

25 What staff is suggesting is a meeting of the minds

1 to remove their permit.

2 BOARD CHAIRMAN HUFF: That's right. It was --

3 EXECUTIVE DIRECTOR CHANDLER: While they were
4 moving towards compliance.

5 BOARD CHAIRMAN HUFF: It was something that really
6 was not very effective because of its rather crude approach
7 to the issue.

8 BOARD VICE CHAIRMAN CHESBRO: Correct me if I'm
9 wrong, but I don't think that the question is whether or not
10 it's a good idea to back away from the minor infractions or
11 minor violations, but it's a question of whether we can draw
12 the line.

13 BOARD CHAIRMAN HUFF: Yeah. I'm developing that
14 though.

15 BOARD MEMBER NEAL: Mine is a question of clarity.
16 I fully agree with Mr. Heidig who said that operators want
17 consistency and dependability and clarity in what they get
18 from us.

19 I'm just -- I look at this and I understand what
20 we're trying to do here and where we're trying to go, I just
21 don't feel that we're being real -- communicating clearly
22 with the operators what our view will be.

23 BOARD CHAIRMAN HUFF: Understood.

24 What I'm -- stay with me a minute.

25 What I'm suggesting and we've never tested it

1 process.

2 And I agree it's not as clear to the operator what
3 it takes.

4 I would hope that in the meeting of the minds
5 process the mind that we bring to the table to discuss the
6 matter with the LEA would be consistent and persuasive and I
7 think that we can do that.

8 But you're correct, it is not as clear to
9 operators what it takes to get on that list as it would be
10 if we embarked on a regulatory process. The regulatory
11 process will take up to a year.

12 BOARD MEMBER NEAL: I understand.

13 BOARD COUNSEL TOBIAS: Could I add, Kathy, that on
14 page 170 if you look at the draft of this policy, it seems
15 to me that does somewhat line it out. It tells you first
16 what the basis to get a notice of intent and basically says
17 there's several factors, a specific violation, the effect or
18 impact of the specific violation on public health and safety
19 and environment, the number, type and severity of violations
20 and the chronic nature of specific violations.

21 Then later on the second page following that goes
22 into including facilities on the inventory. Basically goes
23 through the owner-operator would get a letter saying that
24 they were on that. There's an appeal process or the
25 owner-operator could choose not to appeal.

1 So it does seem to me that there are some
2 criteria.

3 The reason that I thought this was okay was that
4 this seems to me to be generally following within the
5 confines of the Board's authority.

6 To go to more specific criteria to really get into
7 the exact problems with health and safety or whatever seem
8 to me to be what pushed it into more of a regulation type of
9 approach.

10 BOARD CHAIRMAN HUFF: It may be desirable to do
11 that.

12 BOARD COUNSEL TOBIAS: It may indeed be desirable
13 to move to that.

14 BOARD CHAIRMAN HUFF: Even if it was desirable to
15 do that, this might be desirable as a stopgap.

16 BOARD VICE CHAIRMAN CHESBRO: The other concern I
17 have is that we may hear more appeals if it's not -- if they
18 think, well, if the operator's definition of health and
19 safety disagrees with what they've been told by our staff
20 and LEA then he's going to say, well, I'm going to go make
21 my argument to the Board.

22 Whereas the clearer it is, the dividing line is,
23 the easier it is for staff and LEA to say you're clearly on
24 this side of the line.

25 BOARD COUNSEL TOBIAS: You may want to have a

1 year's worth of implementing this to see what is coming
2 forward on those appeals and if there's a continual stream
3 of appeals to the Board that would certainly tell you that
4 we would need to do work on that criteria.

5 MR. BELL: That's what we were hoping to do is to
6 give this a try and see what happens.

7 MR. OKUMURA: Mr. Chairman, just adding one thing.

8 Having coming on the tailend of this issue, with
9 my experience at Department of Pesticide Regulations, I
10 think would it be appropriate for us to give this a trial
11 run to see if we can't set some kind of standards and see
12 what is happening out there.

13 When we did have rigid standards we did have to
14 back off back because of when you get locked up into those
15 rigid categories it caused us major regulatory problems in
16 that and you basically came to a dead standstill on just the
17 regulatory issues.

18 The proposal is for adding flexibility for us so
19 that we can in fact evaluate it. And maybe in my
20 presentation I was negligent in not explaining that. We
21 would be looking at the total program over the course of the
22 year. This is only one part of the total regulatory program
23 that we're looking at addressing, one of the elements in our
24 regulatory mechanisms.

25 So I would seek your support for this agenda item.

1 BOARD MEMBER NEAL: Can we ask for regular,
2 perhaps quarterly reports on the status of this?

3 BOARD CHAIRMAN HUFF: We certainly can. Okay.

4 And I would expect maybe you might want to include
5 that as part of the motion when one is made.

6 Let me ask a question, however, before we get to
7 motions.

8 Remembering the experience of 1992 when in May we
9 adopted a method for including facilities on the old
10 inventory, that was controversial. I remember getting all
11 sorts of input from operators.

12 Now I haven't heard anything from any operator.

13 Why is that?

14 MR. BELL: Well, that's actually because the
15 process hasn't been brought forward and hasn't really taken
16 place yet.

17 The few sites that didn't appeal that would be
18 listed, there's six of them, and one was taken off, didn't
19 go through the process because they chose not to appeal. So
20 the Board has not heard an appeal.

21 BOARD CHAIRMAN HUFF: I know.

22 But even in adopting the method for including
23 facilities on the inventory we heard from the industry at
24 that time.

25 MR. BELL: Yes. We did use the method of moving

1 it up to the appeal stage and there were no problems with
2 that particularly.

3 I think there's a lot of talk before the whole
4 thing was developed and what would be the best way to do it,
5 but I think once the Board adopted it that was industry's
6 proposal. It was Option 3 I believe it was.

7 BOARD CHAIRMAN HUFF: Yes.

8 MR. BELL: And industry --

9 BOARD CHAIRMAN HUFF: That's what I'm talking
10 about. You see, we had an Option 1 and Option 2 and Option
11 3.

12 MR. BELL: That's correct.

13 BOARD CHAIRMAN HUFF: We picked Option 3, because
14 we were hearing from the industry.

15 MR. BELL: That's correct.

16 And there was support at that time.

17 The controversy I think was before we got to the
18 agenda item, before we finally adopted Item 3. They liked
19 Item 3 and there hasn't been any problem with that, per se.

20 We have seen that in the comments from industry
21 even with the 1220 work group. In our proposal they have no
22 problems with the mechanism for doing this other than they
23 wanted the Board to be a ultimate appeal authority. They
24 didn't want that taken out and we initially proposed --

25 BOARD CHAIRMAN HUFF: I do see some elements of

1 the industry out there. I don't have any requests to
2 address the Board.

3 I do have one, yes. There you are. I'll get to
4 you in a second.

5 MR. OKUMURA: Mr. Chairman, I believe that this
6 information was in fact shared with the industry and I think
7 they viewed as a much more flexible approach than the system
8 we had before and I believe that's why they're willing to
9 take a look and see the approach to how we handle the issue.

10 BOARD CHAIRMAN HUFF: That answers my question.
11 Now, Evan.

12 BOARD MEMBER HEIDIG: Mr. Chairman, before we go
13 to public testimony, may I ask a question?

14 BOARD CHAIRMAN HUFF: You certainly may.

15 BOARD MEMBER HEIDIG: The factors that are
16 included in the staff report are public health and safety
17 and the environment. Would that be a conjunctive test or a
18 disjunctive test?

19 In other words what if you had a chronic litter
20 violator? Under existing regulations they would be listed
21 because they're out of compliance. Under this literal
22 reading of this they would have an affect on -- one could
23 read it public health, safety and the environment.

24 MR. BELL: No. We have mentioned the chronic
25 nature of a specific violation on page 170.

1 BOARD MEMBER HEIDIG: Right. That's another
2 factor.

3 BOARD CHAIRMAN HUFF: The three are severable.

4 And it's worthy to mention at this time that
5 Mr. Heidig is an attorney.

6 BOARD COUNSEL TOBIAS: I would agree with
7 Mr. Heidig the way it's written it says -- the way it would
8 probably be read is that you would have to have an impact on
9 all of those.

10 BOARD CHAIRMAN HUFF: And that's not what we mean.

11 BOARD COUNSEL TOBIAS: And that's not, I don't
12 think, the intent of it so it needs to be revised to read
13 that either on public health or safety or the environment.

14 BOARD CHAIRMAN HUFF: Okay.

15 BOARD MEMBER HEIDIG: I have another question to
16 ask of staff.

17 The purpose that is fueling this inventory policy
18 change is the fact that we have had this hammer before and
19 we've never really actually used it?

20 BOARD CHAIRMAN HUFF: 1220 changed that.

21 BOARD MEMBER HEIDIG: AB 1220.

22 But also it was a hammer that was never really
23 used; is that correct?

24 CHIEF DEPUTY DIRECTOR RICE: That's my
25 understanding. 1220 in a sense reaffirmed the inventory and

1 reaffirmed the Legislature's desire for the Board to do it
2 twice a year as a compliance tool.

3 BOARD MEMBER HEIDIG: This would be using that
4 hammer more often by having a test that's more reasonable?

5 BOARD CHAIRMAN HUFF: That's right. It also made
6 the hammer smaller.

7 CHIEF DEPUTY DIRECTOR RICE: The frequency wasn't
8 changed, it was always a requirement to report twice
9 annually, but that had been done.

10 The main changes in 1220 were to make the use of
11 the inventory more meaningful by not linking it to automatic
12 permit revocation if an operator was in compliance with
13 cleanup orders.

14 BOARD CHAIRMAN HUFF: Okay. While Mr. Edgar is
15 testifying you might try to figure out to how to make the
16 three words severable that Mr. Heidig pointed out.

17 MR. BELL: Certainly.

18 MR. EDGAR: Board Members and Chairman Huff, my
19 name is Evan Edgar, the manager of technical services from
20 the California Refuse Removal Council, representing
21 independent private landfills in over 20 counties.

22 What we're talking about today is the scalpel
23 approach, no nuclear bomb or a hammer or big hammer, but
24 it's a nice scalpel approach that is working under 1220
25 process.

1 We fully support this change in policy. We have
2 been involved with AB 1220 process along the way.

3 And the reason we like it is that it gives
4 landfill operators opportunity to work with the staff and
5 with the rest of industry and the regulators to make
6 something that works.

7 It represents a very positive example of how AB
8 1220 process is working and how we are getting that
9 statewide consistency at the same time maintaining that
10 local flexibility.

11 We would support the trial run.

12 The implementation of AB 1220 was the Solid Waste
13 Disposal Reform Act of 1993 and it was well on their way
14 with staff, members of the Waste Board, and the Water Board
15 and we're working together as part of the permit, regulating
16 and reform team.

17 The report sponsors routine public meetings with
18 members of industry, the LEAs and other state departments
19 and environmental organization and other interested parties.

20 And AB 1220 was meant to do a lot.

21 The two things today I'd like to talk about is
22 that it's supposed to remove the overlap and duplication and
23 conflict between the Waste Board, the Water Board and the
24 regional boards and even more importantly, which isn't even
25 being really recognized today, is that it will provide a

1 clear and concise division of responsibilities to minimize
2 overlap and duplication or permitting, inspection and
3 compliance procedures between the Waste Board and the LEAs.

4 The Waste Board's primary role in regard to
5 permitting and compliance is to provide technical assistance
6 and ongoing training and support to the LEAs, to ensure the
7 LEAs' performance in complying with the State minimum
8 standards, and to review the permits and other documents
9 submitted by the LEAs for the Waste Board's concurrence and
10 approval.

11 The Waste Board shall strengthen the State's
12 certification programs and evaluation programs for the LEAs
13 and shall set clear uniform standards to be met by the LEAs.

14 And since this bill was signed on October 1st,
15 1993, a lot of good things has happened. Let's make AB 1220
16 work.

17 Within my letter here I do list five things that
18 are working.

19 And the first one is the LEA evaluation procedures
20 was adopted by the Board in December 1993.

21 And CRRC firmly believes that the LEA empowerment
22 with the LEAs should receive the adequate staff resources,
23 technical expertise, budget resources, and staff training to
24 do the job.

25 We like to work with local government on this.

1 Issues regarding competency and technical
2 expertise will be handled by this process.

3 And the conflict of interest issues are going to
4 be addressed by the LEA evaluation procedure.

5 Item No. 2 is that we have been working with LEAs
6 on getting out LEA advisories. And since October 1st, 1993,
7 there's eight of them.

8 And today we have another good one that was passed
9 out for the permitting and nontraditional facilities.

10 All the operators I've talked to up and down the
11 state really enjoy these LEA advisories.

12 We had one on use of nonhazardous contaminated
13 soil. We had one on composting, Subtitle D questions, a
14 whole list of things including metallic discards that was
15 passed out last week.

16 No. 3. The PARRT has prepared a series of
17 documents for the implementation of AB 1220 including the
18 interim and the long-term programs. The certainty of the
19 process is being addressed and an implementation has been
20 developed.

21 It is this process -- it appears that once the
22 implementation plan has been realized the processing time to
23 obtain a solid waste facilities permit will be shortened.

24 Item No. 4. There have been a series of Waste
25 Board, LEAs, and Water Board round tables around the state

1 over the last month and they have been very positive review
2 with the LEAs I've talked to. A lot of LEAs and operators
3 there at the last month they feel it has been very
4 beneficial and that would be working together to optimize
5 their resources.

6 And this is scalpel approach and it's removing the
7 fatty overlap while improving the consistency among the
8 state agencies and local agencies.

9 Today we have another positive action of this
10 trend continuing. AB 1220 is working and we would like to
11 see it continue to work.

12 When Governor Wilson signed the landmark
13 legislation in October to eliminate the duplication and
14 overlap, it was just a short five, six months ago, and the
15 AB 1220 task force has provided industry a unique
16 opportunity to work closely with the State regulators and
17 LEAs that are directly involved with the permitting and
18 enforcement issues that the solid waste disposal facilities.

19 We have some real issues here and they're being
20 discussed in this forum and the comprehensive plan is being
21 prepared to do what the Governor authorized the State to do
22 just last October.

23 It's not a charade where we're trying to cut a
24 deal on the back of an envelope. This is a thing that's
25 working. We have a open forum. We have a lot of good

1 people out there working hard to make AB 1220 work and we're
2 not trying to do something else that is really not
3 appropriate in a short time frame.

4 We have been participating in Governor's hearings
5 the last couple weeks and we are surprised to see a lot of
6 people talking a lot of sound bites without any substance.

7 What AB 1220 does is it gives it substance and it
8 gives us credibility to have the LEAs and operators and the
9 Waste Board work together on a permit reform package that is
10 working.

11 We feel that it's a good process. We strongly
12 support that this be the vehicle to be used to provide solid
13 waste regulator reform as it was intended to do so.

14 And let AB 1220 do the job it was created to do
15 so.

16 And we appreciate all the work that the LEAs have
17 been doing on this involving industry and getting our input
18 and we really enjoy the process.

19 Thank you.

20 BOARD MEMBER NEAL: Question.

21 BOARD CHAIRMAN HUFF: I don't think we fully
22 realized what a great bill that was.

23 Ms. Neal.

24 BOARD MEMBER NEAL: Just one question so you can
25 help me out on this.

1 You keep referring to certainty and consistency
2 throughout your letter. And I just want to hear from you
3 that you are comfortable that you are getting adequate
4 certainty and consistency with this particular portion of
5 the policy we have been talking to relative to at what point
6 an NOI kicks in.

7 MR. EDGAR: We have. We feel that we have that
8 local flexibility to work with the LEA and that is a trial
9 basis we understand, so we like to have that local
10 flexibility on a site-specific cases. So specific to the
11 policy we feel like an LEA advisory would be very helpful
12 for the LEAs to prepare this policy, to implement this
13 policy.

14 BOARD CHAIRMAN HUFF: I think that he trusts in
15 our communicative ability.

16 Is that true?

17 MR. EDGAR: Yes; I do.

18 BOARD CHAIRMAN HUFF: That's true.

19 Any other questions? Okay.

20 Denise, your turn.

21 BOARD MEMBER NEAL: I was hoping you'd come up so
22 I could ask you the same question.

23 MS. DELMATIER: Affirmative answer to the
24 question.

25 Denise Delmatier with the Gualco Group on behalf

1 of Norcal.

2 We would just like to echo everything that was
3 just said. That was a great presentation on behalf of the
4 operators.

5 BOARD CHAIRMAN HUFF: Very well.

6 BOARD MEMBER NEAL: Mr. Chesbro has a suggestion
7 that he and I have agreed on.

8 BOARD VICE CHAIRMAN CHESBRO: Rather than having
9 them report back, staff report back quarterly, I would
10 suggest a date certain, maybe six months. I'm open-minded
11 as to when that would be, to come back and tell us how it's
12 working and for a determination to be made about whether we
13 need more specific regulatory definition.

14 BOARD CHAIRMAN HUFF: Okay.

15 BOARD VICE CHAIRMAN CHESBRO: So that is what I
16 would propose we do in the motion.

17 BOARD CHAIRMAN HUFF: Sounds good.

18 Whoever makes the motion should consider that.

19 MR. BELL: One thing I'd like to say, we are going
20 to present the inventory in May or June of this year the way
21 it's set up in this anyway. It might be a good time where
22 we could present it then, at least at this point.

23 BOARD VICE CHAIRMAN CHESBRO: Then come back at
24 the time with that as part of the item, would be a
25 discussion of whether or not it's been --

1 BOARD CHAIRMAN HUFF: Okay.

2 EXECUTIVE DIRECTOR CHANDLER: I would suggest we
3 come in on May or June but then come back in six months
4 because we really need a track record here, and report on
5 its effectiveness.

6 MR. BELL: Perhaps a report then could be included
7 with the every six-month inventory. We could just include a
8 report as part of that.

9 BOARD CHAIRMAN HUFF: That's fine. That makes
10 sense. Make sense? Make sense. Okay.

11 Do you have some language change?

12 MR. BELL: Yes. Catherine has it over there.

13 BOARD COUNSEL TOBIAS: Let me read it.

14 BOARD CHAIRMAN HUFF: What page are we on?

15 BOARD COUNSEL TOBIAS: Page 170. Roman numeral
16 II-A.

17 The sentence that starts with, "The main factors
18 to be considered in determining whether an NOI should be
19 sent are," insert "(1) the impact a specific violation may
20 have on public health," delete "and safety." Delete "and"
21 and insert "or the environment." I'll go through this one
22 more time after I do this. Semicolon, "or (2) the number,
23 type and severity of the violation's; or (3) the chronic
24 nature of specific violations."

25 Do you want me to read that one more time?

1 BOARD CHAIRMAN HUFF: I got it, but maybe other
2 people.

3 BOARD VICE CHAIRMAN CHESBRO: The one remaining
4 "and" in there you just still feel is all right?

5 BOARD COUNSEL TOBIAS: And severity? Yes.

6 BOARD CHAIRMAN HUFF: Okay. Questions?

7 Good catch on that one.

8 Makes it clearer. Okay.

9 We're ready for a motion.

10 BOARD MEMBER NEAL: Look the other way.

11 BOARD CHAIRMAN HUFF: I was looking at you because
12 you already had the language on the six-month come back.
13 That's why I was looking at you. If you don't want to do
14 that, that's okay.

15 BOARD MEMBER EGIGIAN: Mr. Chairman, I move it.

16 BOARD MEMBER NEAL: This is coming out of
17 Permitting Committee, so it might be appropriate for a
18 member of that committee to make the motion.

19 BOARD CHAIRMAN HUFF: Mr. Egigian has moved it
20 with Mr. Chesbro's come-back language, which is to say that
21 concurrent with the list every six months we have an item
22 that, starting with the May or June list, whenever it is, we
23 have a discussion of the efficacy of this approach as
24 opposed to regulation.

25 Did I do it right?

1 BOARD VICE CHAIRMAN CHESBRO: Yes.

2 BOARD CHAIRMAN HUFF: That's the motion.

3 We'll have a roll call.

4 BOARD SECRETARY KELLY: Board Member Chesbro.

5 BOARD VICE CHAIRMAN CHESBRO: Aye.

6 BOARD SECRETARY KELLY: Egigian.

7 BOARD MEMBER EGIGIAN: Aye.

8 BOARD SECRETARY KELLY: Heidig.

9 BOARD MEMBER HEIDIG: Aye.

10 BOARD SECRETARY KELLY: Neal.

11 BOARD MEMBER NEAL: Aye.

12 BOARD SECRETARY KELLY: Relis.

13 BOARD MEMBER RELIS: Aye.

14 BOARD SECRETARY KELLY: Chairman Huff.

15 BOARD CHAIRMAN HUFF: Aye.

16 Motion carries 6-0.

17 We've reached ten minutes after 12:00. We have, I
18 don't know, what one, two, three, more items on the agenda
19 plus a closed session and we will be going into closed
20 session, so it looks to me like breaking for lunch is
21 actually an appropriate thing to do. Otherwise we're
22 going to work right on through until about 1:30, or 2:00
23 o'clock.

24 BOARD MEMBER EGIGIAN: Let's do it.

25 BOARD CHAIRMAN HUFF: We're going to lunch. Be

1 back here, please, at 1:15.

2 (Thereupon the lunch recess was taken.)

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A F T E R N O O N S E S S I O N

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2 BOARD CHAIRMAN HUFF: The hour of 1:15 having
3 arrived, I think I will ask any Board Members that, all
4 Board Members, if there were any ex parte communications
5 during lunch which they wish to divulge. Often this is the
6 case.

7 Mr. Heidig.

8 BOARD MEMBER HEIDIG: Yes, Mr. Chairman. I'd like
9 to divulge the following conversations.

10 One with Paul Kaylor, director of solid waste
11 division, County of Mendocino.

12 Michael Scanel, the county administrative officer,
13 County of Mendocino.

14 And Supervisor Jim Eddie from the County of
15 Mendocino. All from Ukiah, California.

16 Also in that conversation was in reference to
17 agenda Item 24.

18 I also met with Denise Delmatier.

19 BOARD MEMBER NEAL: Delmatier.

20 BOARD MEMBER HEIDIG: I was trying to say it with
21 a French pronunciation.

22 And she, that was a conversation about waste
23 reorganization.

24 BOARD CHAIRMAN HUFF: Okay. Any others?

25 BOARD VICE CHAIRMAN CHESBRO: Yeah. I want to say

1 it I just met with Clint Whitney, but it was Clint Whitney,
2 a discussion about the Baylord Landfill extension.

3 Which is --

4 BOARD MEMBER HEIDIG: Whitney is Anglo-Saxon for
5 the record.

6 BOARD VICE CHAIRMAN CHESBRO: Anyway, a landfill
7 extension that is coming before the Board in a future
8 meeting, not today's meeting.

9 BOARD CHAIRMAN HUFF: Okay. That's true.

10 BOARD MEMBER NEAL: Well, I carefully hid in my
11 office, albeit behind an unlocked door, and didn't answer
12 any phones.

13 BOARD CHAIRMAN HUFF: Well, were the lights on?

14 BOARD MEMBER NEAL: I don't turn my lights on
15 until it gets dark in the interest of energy conservation.

16 BOARD VICE CHAIRMAN CHESBRO: I talked to the
17 waiter at Andy Nguyen's.

18 BOARD CHAIRMAN HUFF: Let's go.

19 Mr. Egigian will be with us shortly. I think that
20 their whole office went out to lunch today and celebrated
21 some occasion.

22 So that being the case let's start where we left
23 off, Item 24.

24 MR. OKUMURA: Mr. Chairman, members of the Board,
25 Item No. 24 is being presented for Board consideration of

1 start-up projects for AB 2136.

2 Assembly Bill 2136 created a new program within
3 the Board beginning January 1st, 1994, for cleanup of solid
4 waste disposal and co-disposal sites.

5 The program received \$8 million start-up funding
6 effective January 1st, 1994, and with an additional 5
7 million annually beginning July 1st, 1994.

8 During development of the program there were
9 several key issues of concern presented to us by Board
10 members, by the industry, and by the public.

11 I believe over the course of the last three months
12 we have worked to resolve most of these issues and I'll just
13 maybe brief you on some of the key issues that were of
14 concern to the Board members.

15 First issue was the definitions. We have worked
16 with our legal counsel and with the industry and have in
17 fact I think addressed their concerns about those
18 definitions which included responsible person, unable and
19 unwilling to pay persons. And so we have addressed those
20 issues I think to the satisfaction of everybody.

21 There was also issue that came forward of a public
22 versus private-owned facilities and Dorothy Rice was able to
23 work with the author of the bill to get us a letter which
24 clearly identified a level of 30 percent funding in any one
25 fiscal year for public-owned facilities. So that issue is

1 taken care of.

2 The matching grant issue of what would the
3 appropriate percentages or ratio be. Again, Dorothy was
4 able to, in the letter from Delaine Eastin, get us a
5 clarification of a 50/50 split.

6 Another issue that was presented to us was legal
7 procedures for notifying responsible persons of candidate
8 sites and I believe we have worked that out with legal staff
9 or we'll be putting together a procedure that we've all
10 agreed to, a notification to ensure that everybody is
11 notified of the activities on 2136 prior to any activity or
12 negotiations.

13 And the last major issue of concern was, for lack
14 of another word I guess, it would be an escape clause either
15 in our procedures or in our agreements that allow for the
16 Board to modify or void any grant, contract, or loan if new
17 information becomes known which would have impacted previous
18 decisions used to establish these agreements. That was an
19 issue that came up to us very recently and we think that we
20 have met with contract people and our legal staff and feel
21 that we can in fact put statements in there to address that
22 issue should something like that occur.

23 To date approximately 230 sites have been
24 submitted as potential candidate sites and of these 230
25 sites 160 are currently under investigation and evaluation.

1 As instructed by the Board in February staff has
2 completed the nine proposed site evaluations and determined
3 the following.

4 Three of the sites were dropped from the start-up
5 list because they did not meet the eligibility requirements.
6 Basically they were the City of Colfax Landfill, Kepco
7 Pinedale Disposal Site in City of Rio Vista.

8 There were two other sites that are currently
9 under evaluation, are still candidate sites, however there
10 is additional meetings and information that is required and
11 that should be taking place over the course of the next
12 several weeks and that includes Sand City Landfill in
13 Monterey County, Bradley/Balcom in Ventura County.

14 The four sites that we have brought to the Board
15 that are eligible funding include a total cost of \$2.2
16 million. One will be through a LEA grant, two will be where
17 the Board will be through a contract taking the lead from
18 the cleanup, and one will be a matching grant. So they have
19 pretty much covered the spectrum of the methods of
20 allocation of the funding.

21 All remaining funds staff is still evaluating
22 these other sites and we propose to come back to the Board
23 with some other sites in future meetings to present
24 additional sites.

25 I'd like to begin identifying the sites to the

1 Board members.

2 The first would be a map that we have. It's of
3 the state and the four sites we're proposing in today's
4 presentation. They include Weitchpec, Caspar Landfill.
5 Haywood illegal dump, and Foster Road.

6 The first site is Attachment I one in your package
7 is Haywood illegal dump site in Tulare County. The criteria
8 is illegal disposal sites. It's private ownership. It is
9 proposed to be a grant to the LEA for cleanup of waste
10 removal.

11 And basically the preliminary estimate is about
12 \$500,000 and there are other notes in the attachment.

13 The second site we're proposing would be Weitchpec
14 illegal dumpsite in Humboldt County. It is an illegal dump
15 site that has occurred over many years. It is private-owned
16 property. The Board would be involved in direct cleanup
17 here.

18 Again it is waste disposal and I think there's a
19 picture we have for you that clearly shows the problem. It
20 does have an environmental impact in that one of the
21 tributary streams and does across either the Klamath or the
22 Trinity Rivers.

23 This is a project that has shown cooperation
24 between the U.S. Environmental Protection Agency, HUD and us
25 and the Yurok Tribal Council, as well as the County. We

1 feel that is strong candidate for the site in that we think
2 we can have a immediate remediation fairly rapidly.

3 BOARD CHAIRMAN HUFF: It would be a model with the
4 multiple agency.

5 MR. OKUMURA: That's correct.

6 Foster Road illegal dump site is in Riverside
7 County. Once again an illegal site. It's privately owned.
8 It would be again the Board would be taking the lead in the
9 cleanup. Once again waste removal and we do have a picture,
10 a photograph of that. And the preliminary estimate cost is
11 about \$270,000.

12 The fourth project we're proposing would be Caspar
13 Landfill in Mendocino County. This would fall under
14 responsible person as unable to fund. This is a matching
15 grant. There are leachate collection system and the
16 remediation would be leachate collection system and site
17 cap. And the estimated cost there would be about \$1.1
18 million.

19 We also, we have a aerial photograph of that.

20 And the four sites, I have some pictures here I'd
21 like to pass out to the Board members that probably gives a
22 clearer picture of the sites.

23 Staff recommends the Board to approve the four
24 proposed sites so we can begin implementation of AB 2136.

25 I do have staff here to answer any questions that

1 you may have.

2 BOARD CHAIRMAN HUFF: Are there questions of
3 staff?

4 BOARD MEMBER RELIS: Yes.

5 BOARD CHAIRMAN HUFF: Mr. Relis.

6 BOARD MEMBER RELIS: In terms of what, how these
7 funds would be processed, we would enter into a contract
8 with the LEA or with the county or whatever the jurisdiction
9 is and then who would manage the actual work?

10 MR. OKUMURA: Basically the plan, if it's going
11 where we're taking the lead we would basically through a
12 contractor be managing the cleanup program.

13 If it's going to an LEA then they would be
14 managing it. We would just be providing the funds.

15 And under a grant situation the individuals or a
16 split grant they would, the individuals would propose their
17 portion of money and their work load. The monies would not
18 be allocated until -- not up-front monies but monies as the
19 sites are cleaned up.

20 BOARD MEMBER RELIS: My point is this.

21 Knowing our experience in a cleanup and knowing
22 that these can be pretty complicated jobs, not knowing what
23 the experience of LEA might be, what do we envision in terms
24 of backups? And some of these are remote sites. I don't
25 know what kind of staff resources are available to these

1 parties to manage a fairly sizable contract.

2 MR. OKUMURA: We do have five permanent staff
3 assigned to basically manage and supervise these operations.

4 In addition to that we are allocating a large
5 amount of money for contractors to be responsible for those
6 cleanups on our behalf, at which time we would be
7 supervising.

8 Marge, do you have some comments?

9 MS. ROUCH: I just wanted to add that when the LEA
10 would get a grant, I heard several jurisdictions talk about
11 the fact that they would use some of their public works
12 people to work on these projects or the other option would
13 be hire contractors, experienced contractors themselves.

14 BOARD MEMBER RELIS: Well, again, just I bring
15 this up as a cautionary note that we have a very tight
16 fiscal process on this and milestone reports, and because
17 construction jobs notoriously get out of control and by the
18 time you find out you're out of control you're in so deep
19 that you often can't recover from it.

20 So do we have contingency funds available as well
21 in case these projects go over the --

22 MR. OKUMURA: I think the way we're proposing it
23 is that the -- there will be monies -- the first cut, the \$8
24 million we would be allocating to these four sites in
25 addition to the major contractors who would be doing

1 cleanup.

2 As we went along and learned from this I think
3 each year 5 million additional dollars come along, some of
4 that money surely can be used to pick up sites where the
5 costs would increase, but once again when those costs would
6 go up that would have to be determined by staff evaluation
7 of the site and the proposed amendment to the contract.

8 So it would be through amendment contract that
9 they would be -- the only way they can get the increased
10 dollars that was to occur.

11 BOARD MEMBER RELIS: And those would come back to
12 us, those amendments?

13 MR. OKUMURA: At this time that is the procedure;
14 yes.

15 EXECUTIVE DIRECTOR CHANDLER: I think, Mr. Relis,
16 what you're referring to is what we've heard before, which
17 is let's make sure we have the lessons learned on the Berry
18 Street Mall closure.

19 BOARD MEMBER RELIS: Exactly.

20 EXECUTIVE DIRECTOR CHANDLER: Reflect themselves
21 in the process and procedures we use as we embark on some of
22 these necessary projects.

23 BOARD MEMBER RELIS: Because I was up at Caspar
24 and talked with the regional board people and the operator
25 there and frankly a lot of these projects are, I won't say

1 by the seat of their pants, but I mean they're consulting
2 with engineers and the experience in doing this is not all
3 that -- everyone is very unique and they're addressing
4 different problems and sometimes the experience even with
5 contractors and best available consultants is that they're
6 stepping a little bit into the unknown.

7 So these aren't easy jobs, that's what I'm saying.

8 EXECUTIVE DIRECTOR CHANDLER: That's correct.

9 And I think you may recall from Mr. Okumura's
10 presentation at our Board meeting in Monterey that not only
11 will we have support contractors that will assist us when we
12 take the lead to go in and actually do the cleanup, we will
13 also have a contract that will service technical oversight,
14 quality assurance, quality control, for the program that can
15 be disbursed to a site to assist when a particular situation
16 arises that we want a third-party review or perhaps an
17 additional engineering proposal that will bring the project
18 to its proper closure or remediation.

19 So we have that safety net but it is a safety net
20 that's going to be secured through additional resources.

21 BOARD CHAIRMAN HUFF: Ms. Neal.

22 BOARD MEMBER NEAL: Yes. I want to make sure I
23 understand exactly what we're doing at Caspar.

24 And I understand the remediating with the leachate
25 collection system, but with the site cap, how does that

1 overlap or how does that flow between the remedial
2 activities and the closure activities?

3 MS. ROUCH: The putting a cap on is serving the
4 remediation aspect of our program because the groundwater
5 there is contaminated beneath the site and to remediate that
6 contamination there's two things they need to do.

7 They need to cover the site so rainwater and
8 surface water doesn't infiltrate the waste and then go into
9 the groundwater again or continue to do that.

10 The other thing is they probably will need to do
11 something about their groundwater contamination which is not
12 in our jurisdiction. So we're not dealing with that aspect
13 of it.

14 But the cover would be to prevent further
15 groundwater contamination. That's the remediation.

16 It concurrently will work towards closing their
17 site too, but we are not paying for all their closure
18 activities, all the parts of closure.

19 BOARD MEMBER NEAL: Would the site cap also be
20 considered part of the closure activities?

21 MS. ROUCH: Yeah.

22 BOARD MEMBER NEAL: Is there a way to
23 differentiate the remedial benefit as opposed to the closure
24 approach?

25 MS. ROUCH: In this case they happen to be one and

1 the same. The cap part serves both elements of what we're
2 talking about here, but it matches our program in terms of
3 remediation, but it also matches their closure needs too.

4 BOARD VICE CHAIRMAN CHESBRO: May I?

5 So if it's both then it's considered fundable. If
6 it were just closure related but didn't have a --

7 MS. ROUCH: Exactly.

8 BOARD VICE CHAIRMAN CHESBRO: -- remediation
9 aspect to it then it would be fundable?

10 MS. ROUCH: Exactly.

11 BOARD VICE CHAIRMAN CHESBRO: Is that a correct
12 interpretation of what you're saying?

13 MS. ROUCH: We would not fund any portion of any
14 project or any site that was only for closure. If they do
15 not have an environmental problem we would not be looking at
16 the site.

17 BOARD MEMBER NEAL: But although it serves both
18 purposes we're paying the full cost at the site cap or are
19 they sharing in that cost?

20 MS. ROUCH: They're sharing 50 percent.

21 BOARD MEMBER NEAL: In the site cap portion?

22 MS. ROUCH: Yes.

23 BOARD VICE CHAIRMAN CHESBRO: I have a question
24 about the cleanup of the illegal sites, the three illegal
25 sites.

1 What steps are we talking to assure that the same
2 problem doesn't recur at the same site? Are we requiring
3 the local jurisdiction to take some steps to make sure that
4 we're not just hauling it away, but that they're not going
5 to start dumping it there again as soon as we haul it away?

6 MR. OKUMURA: Yes. As part of the program we're
7 requiring them to put forth, to keep their enforcement
8 program going and an education type program, but also
9 Weitchpec would be a good example where they're actually
10 this total project includes putting in a transfer station so
11 it would allow the type of illegal dumping that created the
12 site. I think if you saw the picture, in fact there was a
13 person that was dumping as we were standing there taking the
14 picture.

15 And with the transfer station hopefully --

16 BOARD MEMBER NEAL: Did you get the license plate?

17 MS. ROUCH: It's obscure.

18 BOARD VICE CHAIRMAN CHESBRO: Is the transfer
19 station going to be on the same location?

20 MS. ROUCH: I don't believe it is.

21 MR. OKUMURA: No; it's not.

22 MS. ROUCH: It's close.

23 BOARD VICE CHAIRMAN CHESBRO: Thanks.

24 BOARD CHAIRMAN HUFF: Any other questions?

25 We haven't heard from the public yet. We're going

1 to do that now.

2 If there are no further questions of staff I do
3 have a number of people who wish to address the Board.

4 MR. BOEHM: Mr. Chairman, my name is Bob Boehm.
5 I'm the city attorney, City of Chico. I did request along
6 with a number of other representatives from Chico to address
7 your Board this afternoon.

8 I hate to start off my comments with a complaint,
9 but before you adjourned you did not tell us where to find
10 Eat Your Vegetables and as a consequence we were forced to
11 eat our burgers at old McDonald's.

12 The reasons we're here today is that the City of
13 Chico has within its jurisdiction a solid waste disposal
14 site. It is not one of your recommended sites this
15 afternoon.

16 We feel we meet the criteria. We've met with your
17 staff. Your staff was not real encouraging and for that
18 reason we thought we would take our case to the Board.

19 The City of Chico and certain city property owners
20 seek \$500,000 in grants and loans allocated pursuant to AB
21 2136 to fund a focused remedial investigation feasibility
22 study for the City of Chico, Humboldt Road Disposal Site,
23 utilizing Department of Toxic Substances Control guidelines,
24 as well as a remedial action plan that results from that
25 study.

1 The City and some property owners adjoining the
2 Humboldt Road Disposal Site have already spent \$30,000 in
3 remedial action strategy plan which has been prepared for us
4 by Metcalf and Eddy Consulting Engineers.

5 I have here -- I've provided your staff with an
6 outline, incidentally, of my remarks to assist you.

7 I have with me this afternoon a plat which depicts
8 the site in question. Actually the site is composed of a
9 number of different separate properties, all of which have
10 been the subject of some disposal of solid waste material.

11 The main focus of the site is a 10-acre parcel
12 formerly owned by the City of Chico. Until the mid '60s it
13 was utilized as a garbage dump by residents of the city and
14 adjoining portions of the unincorporated territory, the
15 County of Butte. That site is located right here.

16 Another focus of the site is a landlocked property
17 which now is and always has been a private ownership. It
18 was also used as a dump site. It's located here.

19 Over the years other properties surrounding the
20 10-acre dump site have also been used for disposal of solid
21 waste materials either with or without the permission of
22 their prior owners.

23 Those separate parcels are all depicted on the
24 plat. There are approximately a dozen of them around the
25 focus site, the old Humboldt dump site.

1 All affected property owners, all affected
2 properties are contaminated to be a greater or lesser extent
3 by lead.

4 The property is also in an area of the City of
5 Chico which is being surrounded by residential growth. And
6 I've tried to depict with the overhead photograph that is on
7 our TV screens.

8 The Humboldt Road disposal site is a disposal site
9 within the meaning of AB 2136.

10 It also appears to a co-disposal site as defined
11 by AB 2136 in that it is a site being evaluated for listing
12 pursuant to the State Superfund law and Safety Code, the
13 Section 25356 of the Health and Safety Code and is a site
14 where the disposal of hazardous substances, hazardous
15 wastes, and solid wastes have occurred.

16 The Humboldt Road disposal site also appears to
17 fall within the parameters of AB 2136, which require the
18 Board to consider the degree of risk to public health,
19 safety and the environment posed by conditions at the site,
20 and the ability of the site owner to clean up the site
21 without monetary assistance in prioritizing the allocation
22 of AB 2136 funds.

23 Towards this end we'd point out that the Humboldt
24 Road disposal site is contaminated with lead. The site is
25 in an area of the city experiencing and likely to continue

1 to experience residential growth.

2 Neither the City of Chico nor adjoining property
3 owners have the present financial wherewithal to shoulder
4 the entire cost of necessary site remediation work.

5 Some affected property owners are here today to
6 address their ability to share in financing the anticipated
7 \$5 million in cleanup cost for this site.

8 The reason the site is in an area experiencing
9 residential growth pressures is because the site and
10 surrounding properties are within a sewer assessment
11 district formed in the early 1980s in order to provide the
12 area with sewer trunk lines.

13 If property owners are faced with cleanup costs
14 exceeding their ability to pay they're likely to walk away
15 from their properties and their substantial annual
16 assessment obligations.

17 This would result in abandonment of the properties
18 and would likely cause the entire assessment district to
19 collapse.

20 Indeed, the owner of the land-locked property
21 formerly used as a private dump, this property right here,
22 is already substantially in arrears in his annual assessment
23 obligations.

24 A grant and/or a loan of AB 2136 funds to the City
25 of Chico and property owners adjoining the old 10-acre

1 disposal site for site remediation work is also consonant
2 with the legislative purpose underlying AB 2136 as set out
3 in a letter from Assemblyperson Delaine Eastin, author of AB
4 2136, to the chair of this Board.

5 AB 2136 funds are needed for sites where there is
6 no identifiable responsible party and therefore have no
7 other option for funding cleanup.

8 For this reason I believe that is vital to the
9 program's success the orphan site aspect be stressed.

10 In this case the Humboldt Road disposal site has
11 the characteristics, some of the characteristics of an
12 orphan site.

13 Most of the current owners of the property at and
14 around the site were not responsible for the disposal of
15 solid waste on their property or the contamination resulting
16 therefrom.

17 Moreover, if cleanup costs become too burdensome,
18 they are likely to walk away from their properties leaving
19 them abandoned and truly orphan sites within every meaning
20 of that term.

21 Assemblyman Eastin also states that AB 2136 funds
22 ought to fund cleanup where it is needed to protect public
23 health, safety or the environment.

24 The Humboldt Road disposal site clearly meets this
25 criteria.

1 The City of Chico, like most other units of local
2 government and the State of California itself is in dire
3 financial straits. It is facing an anticipated \$1.6 million
4 shortfall in its '94-95 general fund budget.

5 Fortunately the Humboldt Road disposal site is
6 within a newly formed redevelopment project area and
7 although it will likely take about five years before
8 sufficient funds are available from this project area to
9 start to address site cleanup costs.

10 The surrounding property owners need a grant of
11 funds to help them shoulder their share of the cleanup
12 costs. The City needs a bridge loan to carry it over until
13 such time as redevelopment project area funds are available
14 to address the City's share of the cleanup costs.

15 I have with me today a representative from Metcalf
16 and Eddy who will be speaking to you and will try to address
17 any of the technical concerns you might have about the site.

18 We do need your help.

19 We recognize -- we want you to recognize that the
20 Humboldt Road disposal site is an appropriate site for AB
21 2136 funding.

22 We would request that you to direct your staff to
23 work with the City and affected property owners to come up
24 with specific, a specific fundable project under AB 2136.

25 BOARD VICE CHAIRMAN CHESBRO: Totally ruin the

1 momentum of your presentation for me to add a little levity
2 at this time?

3 MR. BOEHM: Go ahead.

4 BOARD VICE CHAIRMAN CHESBRO: Well, it would help
5 if you would, at least from my standpoint coming from
6 Humboldt County, if the landfill were called the Chico
7 Landfill or the Butte Landfill or something other than the
8 Humboldt Landfill.

9 We don't call the Humboldt Landfill the Butte
10 Landfill.

11 MR. BOEHM: How about the Lando Landfill, that
12 could be named after our city manager. I'm sure he'd
13 appreciate that.

14 BOARD CHAIRMAN HUFF: Name it after you.

15 BOARD VICE CHAIRMAN CHESBRO: Humboldt was a
16 well-known naturalist so he probably would have taken some
17 offense to it.

18 MR. BOEHM: The reason that it is the Humboldt
19 Road site is that this is next to Humboldt Road, which I
20 think is very --

21 BOARD VICE CHAIRMAN CHESBRO: Good excuse.

22 MR. BOEHM: -- very old right-of-way that was used
23 in years past by some of the early pioneers.

24 BOARD VICE CHAIRMAN CHESBRO: On their way to
25 Humboldt, no doubt.

1 MR. BOEHM: No doubt.

2 BOARD MEMBER RELIS: Mr. Chair, not to turn this
3 to more dour side, but I'm not into casting blame, but
4 you're the city attorney and the City of Chico has
5 apparently known about this problem for some time, I would
6 take it?

7 MR. BOEHM: We have known about the existence of
8 the site. It wasn't until the last half dozen years that it
9 was brought to our attention that the site was contaminated
10 with lead.

11 BOARD MEMBER RELIS: So this was after the sewer
12 assessment was made?

13 MR. BOEHM: Yes, sir.

14 BOARD MEMBER RELIS: And houses were built?

15 Because frankly I get somewhat annoyed when I see
16 urban encroachment in problematic areas, landfill sites and
17 others and where we're faced with dealing with some of the
18 issues that I think are local planning issues, best
19 determined at that level and where the responsibility lies
20 to protect the public if there was a health and safety risk
21 from locating next to --

22 MR. BOEHM: I understand your point and I think it
23 is well taken.

24 As I pointed out, though, we did not realize that
25 this dump was contaminated with lead at the time the sewer

1 assessment district was formed and the property slated for
2 development.

3 The other thing that is maybe a little bit harder
4 to appreciate is the fact that in the City of Chico this is
5 just one of a number of environmental constraints that
6 affect our community.

7 Our community entirely along the entire east side
8 of the community has a number of wetlands. It has vernal
9 pools. It has Butte County meadowfoam, which is a federally
10 listed rare and endangered species.

11 The community is interested to protect the west
12 side because that's where all the rich agricultural fields
13 are.

14 If you go around the community just about every
15 area of the community is affected by one or more
16 environmental constraints, a problem which we are now trying
17 to address in the revision of our general plan.

18 The fact of the matter is that the community is
19 running out of space even though we are a rural community
20 with a population probably not much in excess of 80,000.

21 The fact of the matter is that when you look at
22 all of the environmental constraints that we have to deal
23 with we do not have much space left.

24 BOARD MEMBER NEAL: If I can follow up on
25 Mr. Relis' question.

1 Prior to forming the assessment district what kind
2 of testing did you do?

3 MR. BOEHM: There was no testing done. This
4 assessment district was formed in the 1980s.

5 And, Ms. Neal, unfortunately at that time, only 14
6 years ago, there was not the sensitivity to these kinds of
7 issues that there is today.

8 In fact I believe CERCLA is, what, 1981
9 legislation, which really started to bring into focus
10 concerns about contamination problems around the country.

11 It's just a matter of ignorance not realizing back
12 at that time that these things should be explored.

13 BOARD MEMBER HEIDIG: Mr. Chairman.

14 BOARD CHAIRMAN HUFF: Yes.

15 BOARD MEMBER HEIDIG: Would you describe the
16 contamination of lead.

17 MR. BOEHM: I would rather defer to Curt from
18 Metcalf and Eddy. He will help you out on that.

19 BOARD MEMBER HEIDIG: Let me ask another question
20 then.

21 If you are \$1.5 million over budget at the City of
22 Chico, how can you bridge a loan, how do we know the
23 estimation of the redevelopment monies would be sufficient?

24 MR. BOEHM: I cannot give you 100 percent
25 guarantee.

1 You do realize, I don't know how familiar you are
2 with the redevelopment process. I'm talking about --

3 BOARD MEMBER HEIDIG: I'm familiar.

4 MR. BOEHM: -- a project area formed under the
5 community redevelopment law. It has it's own source of
6 financing.

7 BOARD MEMBER HEIDIG: Through the county?

8 MR. BOEHM: No. Through the property taxes at the
9 time the project if formed --

10 BOARD MEMBER HEIDIG: That the county would
11 otherwise receive?

12 MR. BOEHM: County or city. County or city.

13 Or other tax supported entities, is that in the
14 course of a rather extensive formation procedures for the
15 redevelopment project we have to do the financial studies,
16 make the projections that are necessary to forecast or
17 increment over the years. It's essential to the
18 redevelopment project.

19 And I'm using these estimates based on what the
20 perceived growth in increment will be per the financial
21 studies that were performed for us as part of the project
22 formation proceedings.

23 BOARD CHAIRMAN HUFF: Okay. You still have a
24 question on the lead.

25 BOARD MEMBER HEIDIG: Which I'll defer.

1 BOARD CHAIRMAN HUFF: Any other questions of this
2 witness?

3 MR. BOEHM: Thank you.

4 BOARD MEMBER NEAL: I wonder if it's appropriate
5 at this time to have staff respond or do you want to hear
6 all of the --

7 BOARD CHAIRMAN HUFF: Does that work best?

8 BOARD MEMBER NEAL: -- public statements relative
9 to this particular project?

10 MR. OKUMURA: Maybe my comments will respond to
11 some of their concerns and maybe misunderstandings.

12 BOARD CHAIRMAN HUFF: Why don't you proceed.

13 MR. OKUMURA: Our staff has worked on many
14 occasions with the individuals who are here today to make
15 their presentations.

16 And I have a note from staff. I asked we
17 anticipated these individuals being here.

18 There are several issues that we had to address
19 when we were in the process of selecting a site.

20 I think the legislation itself very clearly said
21 it had to be health and environmental effect issues and the
22 Board supported that position when we made the program
23 presentation.

24 In the ranking system it did not come up high
25 because there was very little if any water contamination and

1 the lead levels were declared as a hazardous site under the
2 RCRA requirements.

3 Some of the project proposals by the individuals
4 included moving of the soils, which would require activity
5 with our dear beloved sister agency, the Toxics, and a lot
6 of the requirements would -- they would need to do a lot
7 more homework before we could make a decision to include
8 them in our package.

9 We have not excluded them as a potential site.

10 I have asked staff to look at all the facts. They
11 have put a together a list of things that need to be done
12 prior to them even coming forward as a potential candidate.

13 Some of those things are requirements of the
14 legislation already and they do not trigger the criterias
15 established by this Board or the legislation.

16 The bottom line is that I think we are more than
17 willing to look at portions of the project because of the
18 most information provided to us was preparatory work, which
19 is not done yet, and closure activities which we have gone
20 through already today that we do not pay for closure
21 activities.

22 However, I personally believe there can be
23 activities that we can assist them in under this program.
24 However, it will have to fall under the second or third
25 level of sites coming through the process.

1 This is not the last group of sites we're bringing
2 to the Board. I feel that our staff could continue to work
3 with them and we will be able to come back to the Board with
4 at least portions of their proposal that would clearly fall
5 under the requirements of the legislation.

6 BOARD CHAIRMAN HUFF: Okay. Now, does the lead
7 question is that what brings DTSC into the act?

8 MR. OKUMURA: That's correct.

9 And some of the activities require movement of the
10 soil which would mean it would have to be declared as a
11 special waste or some other definitions and there's a lot of
12 other homework that would need to be done before we got
13 involved in the site.

14 I think one of the issues that did come up and
15 came up by the Board members was the fact that we get as
16 many sites cleaned up as possible and get the biggest bang
17 for the buck.

18 This site if we were to encumber money or allocate
19 money now I think the project has a lot more homework that
20 needs to be done and then I think it would be appropriate to
21 bring back to the Board. But until then I think staff's
22 position of working with them will continue.

23 I do believe though clearly that some of the
24 activities can in fact be included as part of the proposal.

25 BOARD CHAIRMAN HUFF: Mr. Heidig.

1 BOARD MEMBER HEIDIG: How many sites are there
2 that would fall under the AB 2136 in the State of
3 California?

4 MR. OKUMURA: Potentially right now we're looking
5 at 160 candidate sites.

6 BOARD MEMBER HEIDIG: How much funding is in the
7 2136 program?

8 MR. OKUMURA: We have \$8 million currently and
9 effective July 1st, 1994, we'll receive 5 million additional
10 each year thereafter.

11 BOARD MEMBER HEIDIG: In your estimation or
12 staff's estimation this site is probably not a first-tier
13 site in terms of both efficacy of cleanup in contamination;
14 is that correct?

15 MR. OKUMURA: That's correct.

16 BOARD MEMBER HEIDIG: Thank you.

17 BOARD CHAIRMAN HUFF: Okay. Proceed.
18 One more question.

19 BOARD VICE CHAIRMAN CHESBRO: What about the
20 question of assistance to property owners on the basis of
21 the criteria that they have brought forward, has that been
22 looked at at all?

23 The criteria as I understood is that they didn't
24 have any responsibility for the activity having taken place
25 on the land, supposedly, I mean that's what was stated.

1 MR. OKUMURA: Those are some of the questions that
2 we're trying to address and get clarified, because the
3 ownership issue and all the other things are part of the
4 checklist that we need to go through first and that's one of
5 the things that we're trying to determine.

6 BOARD VICE CHAIRMAN CHESBRO: Thank you.

7 MR. GRIFFITHS: Hello. My name is Curt Griffiths.
8 I work with Metcalf and Eddy. We are the consulting group
9 for Chico for the Humboldt Road, Old Chico Landfill.

10 BOARD VICE CHAIRMAN CHESBRO: I like the sound of
11 that better.

12 MR. GRIFFITHS: Yeah. I do too.

13 You have questions about -- what I want to speak
14 to you about is I want to establish that there is a threat
15 to water quality and also to public and environmental
16 health.

17 I'll give you a brief history.

18 In September of '87 the Regional Water Quality
19 Control Board came and collected samples of the waste and
20 the results of those samples is that they've established
21 that Title 22 criteria for lead has been exceeded and that
22 it's considered a hazardous waste.

23 Also there is a threat to surface water in that a
24 intermittent stream flows through, directly through the
25 garbage along here.

1 The Department of Toxic Substances Control,
2 Regional Water Quality Control Board, and also the
3 Integrated Waste Management Board have recognized that are
4 hazardous levels of lead within the material here and that
5 it potentially poses a threat to environmental and public
6 health.

7 Metcalf and Eddy was retained to prepare a
8 remedial action strategy plan which prepares a framework for
9 the permitting process that has to be done and also for the
10 implementation of the cleanup of the site.

11 This also has been agreed upon in concept by the
12 three agencies, DTSC, Regional Water Board, and Integrated
13 Waste Management Board.

14 So I'm sorry but I don't clearly understand
15 Mr. Okumura's comment about our homework not being done, but
16 I think we have established a framework for getting the
17 permitting and also the implementation of this project done.

18 And I think it has a -- I think it represents a
19 success story in that it can be implemented on a fast basis
20 because we've already had several meetings with the Regional
21 Water Board and the Department of Toxic Substances Control,
22 DTSC being the lead and they have agreed in concept with our
23 process and also the cleanup of the site.

24 BOARD CHAIRMAN HUFF: Any questions?

25 Mr. Heidig.

1 BOARD MEMBER HEIDIG: Mr. Chairman.

2 What is the source and nature of the contamination
3 of the lead?

4 MR. GRIFFITHS: It's abandoned metal material
5 from -- this landfill has been in operation since the early
6 19 teens and was abandoned in 1962. There's metal refuse
7 out there everywhere scattered over the 200 acres. And this
8 metal and -- and car batteries, solder, et cetera, are
9 contributing to the lead levels.

10 MR. OKUMURA: Basically they were result of
11 materials burning, heavy metal being left.

12 MR. GRIFFITHS: Exactly. Abandoned burn dump.

13 BOARD MEMBER RELIS: Mr. Chair.

14 Is this area presently closed off to the public?

15 MR. GRIFFITHS: Yes. DTSC has put up a fence
16 order and this is the perimeter of the fence and encircling
17 the majority -- well, actually 100 percent of the waste.

18 DTSC has recognized this site as being potentially
19 hazardous and they have already implemented actions against
20 us or against the property.

21 BOARD CHAIRMAN HUFF: Mr. Heidig.

22 BOARD MEMBER HEIDIG: You said there's an
23 intermittent stream. Where does that drain?

24 MR. GRIFFITHS: The intermittent stream drains
25 into Little Chico Creek, which basically is down here, which

1 flows into the Sacramento River eventually.

2 BOARD MEMBER HEIDIG: Have you done water
3 monitoring of that creek?

4 MR. GRIFFITHS: There's been sporadic monitoring
5 of the creek by the Regional Water Board and they have come
6 up with a conclusion that there are, if I can quote it.
7 Here it is.

8 "The discharge of these
9 constituents while not immediately toxic
10 to aquatic life does significantly
11 impact water quality and violates State
12 Board Resolution 68-16, statement of
13 policy with respect to maintaining high
14 water quality waters in California."
15 Written by the California Regional Water Board.

16 BOARD MEMBER EGIGIAN: Mr. Chairman.

17 BOARD CHAIRMAN HUFF: Yes, Mr. Egigian.

18 BOARD MEMBER EGIGIAN: At the bottom of these
19 pages I note that it says:

20 "The Board will in all appropriate
21 instances pursue full cost recovery from
22 responsible parties."

23 I bring that up because I was talking to a friend
24 of mine that used to dump material into the old Monterey
25 disposal landfill that's now a super site down in Southern

1 California. And he was telling me that their company, they
2 sold their company 20 years ago and the Superfund people are
3 bringing them in and deposing them all and they're going to
4 make everybody that dumped in there regardless of what kind
5 of material they dumped in there responsible for part of
6 that cleanup.

7 I'm just wondering if people have been dumping
8 over a period of years in these areas that you're talking
9 about did nobody ever take a license plate number, was there
10 any commercial haulers that dumped into there? How did this
11 all happen for such a long period of time without any
12 interest in it?

13 MR. GRIFFITHS: The history of this dump is that
14 beginning in the early 1910s is that this was a municipal
15 landfill which contracted out to dump people, I don't know
16 the term for it. They brought the refuse out there and
17 burned it and it was all perfectly agreeable with the City
18 at that time. There were no environmental regulations.

19 And then the landfill was closed in 1962 before
20 there was an environmental movement.

21 MR. BOEHM: There were thousands, probably
22 thousands of people that used that site.

23 MR. GRIFFITHS: It's a municipal landfill.

24 MR. BOEHM: In back in, as Curt said, and as I'm
25 sure you're all aware, is back in the '60s or between 1910

1 and 1960 people were not concerned about what was in waste
2 material that was dumped in disposal sites.

3 BOARD MEMBER EGIGIAN: The fact that they were not
4 concerned should not eliminate them from helping to clean up
5 this project.

6 MR. BOEHM: Except that it would be virtually
7 impossible to find out all the people who dumped in that
8 site.

9 BOARD MEMBER HEIDIG: Mr. Chairman.

10 BOARD CHAIRMAN HUFF: Yes, Mr. Heidig.

11 BOARD MEMBER HEIDIG: Let me ask a couple
12 questions of staff.

13 Under, well, first let me ask a question of the
14 applicant.

15 Is the City of Chico, when did they sell this
16 property?

17 MR. BOEHM: The City sold the property again in
18 the early '80s, before, in response to the previous comment,
19 before we had an indication that the property was
20 contaminated. We sold it to an individual who is in the
21 scrap metal business and I believe to some extent he mined
22 the property for some of the scrap metal that was left
23 there.

24 I expect we're going to be the owner of that
25 property in the near future whether we like it or not.

1 In fact we in order to implement our remedial
2 action plan is that we had to acquire ownership of that
3 property back as well as probably portions of the other
4 surrounding properties.

5 BOARD MEMBER HEIDIG: Previous responsible parties
6 are liable under federal Superfund legislation, does that
7 exempt municipal corporations?

8 MR. BOEHM: Absolutely not.

9 I was interested in the comment about the
10 provisions of AB 2136, which makes previous responsible
11 parties liable for costs.

12 I'm not sure exactly what the term responsible
13 party as used in that particular legislation means. I sure
14 as heck know what it means in CERCLA and it means everybody
15 in sight, the property owner, the past property owner, the
16 present property owner, anybody who is within a thousand
17 feet of the property. It's an all-encompassing strict
18 liability statute that touch virtually everybody that has
19 had any contact with the property.

20 I surely hope that that's not what AB 2136 ends up
21 being.

22 And I think, if I might add and emphasize, I don't
23 think it is in accord with the intent of this kind of
24 legislation, is that we need help out there in the state to
25 fund our cleanup responsibilities.

1 We're willing, to the best of our financial
2 ability, to contribute to these problems.

3 But it comes down if you were to saddle the City
4 of Chico with a \$5 million cleanup cost it would really come
5 down are we going to put the money in cleanup costs and if
6 we are how many cops are we going to have to layoff, how
7 many firefighters are we going to have to layoff, how are we
8 going to decimate the City of Chico in order to pick up that
9 responsibility.

10 One of the problems that I think single-purpose
11 agencies have is that they are so focused on what their
12 mission, which is a very legitimate mission, sometimes they
13 tend to forget that us folks out there who have a broader
14 responsibility have to think of other things when we are
15 addressing these problems.

16 CHIEF DEPUTY DIRECTOR RICE: Mr. Chairman, over
17 here.

18 If I could provide just an additional point.

19 I know when Mr. Okumura mentioned a lack of
20 homework he was not referring to the years of work you've
21 done on this site as a hazardous waste site and the work
22 you're doing to come into compliance and develop a remedial
23 action plan and proceed with your required studies and then
24 implement your cleanup plan.

25 He was referring only to what the Board has before

1 it today, which is the AB 2136 program, which is not the
2 same as State Superfund, does not have the same definitions
3 or criteria for eligibility for money. And I think that's
4 all Doug was trying to say.

5 Obviously, you've done a lot of work and spent a
6 lot of money and have a ways to go.

7 I think it's important to distinguish between the
8 two programs and I think part of the confusion we have here
9 is that Toxics does have an extensive cleanup program and
10 extensive regulatory requirements for how cleanup has to be
11 undertaken.

12 AB 2136 when it was passed was not intended to
13 duplicate or mirror that program in any way and in fact was
14 intended to provide for a, in a sense, a quick and easy
15 cleanup remedy for solid waste sites primarily where we
16 could get into co-disposal sites that wasn't precluded, so
17 that is mentioned in the law.

18 But I think what staff need to do is to work with
19 you to better understand where you're out with Toxics and
20 where this program and that program might have a connection.

21 We don't know enough right now, it doesn't sound
22 like, to know what to recommend to our Board as far as
23 what's appropriate for this program.

24 BOARD CHAIRMAN HUFF: That was my question.

25 You said that Toxics has put a fence around it.

1 What else?

2 MR. GRIFFITHS: That's all the action they have
3 taken now until we've submitted a remedial action strategy
4 plan with the Department of Toxics. We have been in a lot
5 of conversations with them, we've worked a lot with them.

6 They understand that we have a plan that they have
7 agreed to also to implement cleanup of this.

8 And for the moment the Department of Toxics has
9 backed off and are waiting for us to implement this plan,
10 but we don't have any money.

11 BOARD MEMBER RELIS: Mr. Chair.

12 BOARD CHAIRMAN HUFF: Mr. Relis.

13 BOARD MEMBER RELIS: It just seems to me that in
14 light of -- I appreciate what Dorothy just said, looking at
15 the history here a bit, this is the first time I've seen
16 this and I assume other Board members.

17 We have had a process that we've been going
18 through whereby sites have been selected, brought before us,
19 and we're addressing those. And this is the first occasion
20 that we've had where a party that believes it should be
21 included has come before us.

22 I, for one, based on what I've heard today, don't
23 feel that there is a complete enough framework to certainly
24 vote on your proposal.

25 MR. BOEHM: I don't think we expect that, though

1 we appreciate that. What we're asking is to maybe give it a
2 little more attention, have your staff give a little more
3 attention to this proposal.

4 We know that we would have to go back and work
5 with staff to try to come up with some specifics that you
6 could act on.

7 If I could make one other statement and I'll try
8 and shut up, and that is Toxics, the Department of Toxic
9 Substances Control, of course the legislation, 2136, does
10 not distinguish from lead, from methane gas or anything
11 else, it talks about hazard. And clearly there are hazards
12 here, particularly so because of the proximity of
13 residential development.

14 We have had experience with the Department of
15 Toxic Substances Control elsewhere in the City of Chico.

16 We have PCE and TCE contamination problems in our
17 groundwater caused by an old industrial site which was
18 located both at our airport and then subsequently relocated
19 to another part of town.

20 Our experience with Toxics is that they're very
21 happy to move in and do what is necessary to remediate the
22 problem but then they turn around and sue you under CERCLA
23 to recover all their costs, quite expensive costs I might
24 add, extremely expensive costs.

25 And we would hope to try to avoid that kind of a

1 scenario with respect to this particular site because we
2 can't afford it.

3 BOARD CHAIRMAN HUFF: Okay.

4 BOARD MEMBER EGIGIAN: Mr. Chairman, would it be
5 appropriate to have somebody from Toxics come to our next
6 meeting and explain to us what their intentions are, what
7 they expect to do?

8 BOARD CHAIRMAN HUFF: Rather than do that --

9 BOARD MEMBER NEAL: Don't hold your breath, Sam.

10 BOARD CHAIRMAN HUFF: Let's let staff do a staff
11 to staff contact with Toxics first.

12 BOARD MEMBER EGIGIAN: All right.

13 BOARD CHAIRMAN HUFF: That would be probably more
14 in keeping with the protocol.

15 MR. OKUMURA: If I could make a recommendation,
16 what we can do is I can have staff take all of the
17 documentations and communiques we have had with them, we can
18 get together with the group of people and walk through and
19 clearly outline where we feel there are some additional work
20 needed and potentially within the next Board or next meeting
21 after that potentially bring a report back on our findings
22 as far as where we're at in the progress.

23 At the same time we can meet with Toxics to
24 determine where we have some overlap or differences in how
25 we want to handle this.

1 I would propose that to maybe resolve this issue.

2 BOARD CHAIRMAN HUFF: Okay.

3 BOARD MEMBER EGIGIAN: We just don't want to
4 develop another asbestos situation here.

5 MR. OKUMURA: I can't promise you that,
6 Mr. Egigian, but we'll try not to.

7 BOARD CHAIRMAN HUFF: Okay.

8 BOARD MEMBER NEAL: I would appreciate some
9 clarity on really who has the lead here, because I'm
10 confused at the moment relative to whether we or Toxics
11 would have principal responsibility for activity at this
12 site.

13 BOARD CHAIRMAN HUFF: Okay. That's fair.

14 I think that staff will be bringing forward, as
15 things develop, other sites, will you not, Mr. Okumura?

16 MR. OKUMURA: That is correct.

17 BOARD CHAIRMAN HUFF: But this is -- your list of
18 four only deals with about \$2 million, 2 and change.

19 MR. OKUMURA: That's correct.

20 BOARD CHAIRMAN HUFF: And there's eight to deal
21 with. So we're going to see several more sites in the next
22 month or two, I would imagine.

23 MR. OKUMURA: Yes.

24 And I don't want to leave them with the opinion
25 that they aren't in line somewhere down the line, especially

1 for portions of the program. I think that's one of the
2 things we're running into with the Toxics issues many of
3 these sites will be on borderline but will not be where the
4 2136 monies can fund the whole issue but can in fact fund
5 portion of it and I think that's maybe where I need to sit
6 down with them and get some clarification.

7 BOARD CHAIRMAN HUFF: Okay. So we can expect to
8 see further sites. We may even see this site. We may see
9 some aspects of the site in the month of April or May or
10 even June, depends on staff work, staff understanding where
11 Toxics is, better understanding of some of the issues that
12 pertain to this site. And staff will move forward
13 diligently.

14 The thing to remember is that we do have 160
15 possible sites or does this make it 161?

16 MR. OKUMURA: No. This was included in the 160.

17 BOARD CHAIRMAN HUFF: And we have a criteria
18 system. There is in fact a written down, understood
19 criteria approach, scoring each one of these 160. And
20 that's a good part of what determines what we see here.

21 BOARD MEMBER HEIDIG: I think that's very
22 important, Mr. Chairman, because there's 160 potential city
23 councils or boards of supervisors that have to have the same
24 funding difficulties. And unless those issues are brought
25 up in that context it's difficult for this Board to make a

1 evaluation with the professional guidance of staff as to how
2 to maximize or optimize those costs.

3 BOARD VICE CHAIRMAN CHESBRO: Clearly \$8 million
4 this year and 5 to follow is not going to take care of all
5 of those problems --

6 BOARD CHAIRMAN HUFF: No; it won't.

7 BOARD VICE CHAIRMAN CHESBRO: -- in the near
8 future, so it's got to be a prioritization process.

9 BOARD CHAIRMAN HUFF: Okay. Very good. Now --

10 BOARD MEMBER NEAL: Can I ask a question of staff.

11 BOARD CHAIRMAN HUFF: Yes.

12 BOARD MEMBER NEAL: More general, not specifically
13 this site, but how are we defining responsible parties
14 relative to 2136?

15 MR. OKUMURA: Responsible party means an
16 individual, trust, firm, joint stock company, corporation,
17 including a government corporation, partnership, joint
18 venture, association, city, county, district, the state,
19 including any department or agency thereof, or any
20 department or agency of the United States to the extent
21 authorized by federal law. The term responsible person may
22 only be construed within the context of AB 2136 and shall
23 not be interpreted under any other local, state or federal
24 statute.

25 And then further beyond that it's our definition

1 includes responsible person unable to pay and responsible
2 person unwilling to pay.

3 BOARD MEMBER NEAL: Okay. You did that real fast.
4 Help me out.

5 BOARD MEMBER RELIS: It's pretty inclusive.

6 BOARD MEMBER NEAL: Does that mean the responsible
7 parties would only be the operators of the sites or also
8 those who dispose? I mean I think it's following up some of
9 the question we had earlier.

10 BOARD COUNSEL TOBIAS: It really is anybody, and
11 that is the way we defined it, and that's what you adopted
12 at the Monterey Board meeting.

13 It really means owner, it means somebody that we
14 can trace the ownership back to, if there's certain types of
15 materials on that site and we can trace back to that. It's
16 meant to be all-inclusive.

17 BOARD MEMBER NEAL: For example if it's a
18 situation that's maybe a model fill like I think Caspar is,
19 right, it's purely wood waste?

20 BOARD CHAIRMAN HUFF: No.

21 BOARD VICE CHAIRMAN CHESBRO: Two sites at Caspar,
22 but the one we're funding is not the --

23 BOARD MEMBER NEAL: Not the -- all right.

24 BOARD COUNSEL TOBIAS: I'll just add there for a
25 point of clarification the reason we added the end to that

1 is that we needed to use the term responsible party because
2 that was what was in the legislation.

3 However, we specifically said that it was not to
4 be interpreted in light of any of the other statutes such as
5 CERCLA or anything else, because we didn't want to deal with
6 the other liability issues that come with that designation
7 of being a responsible party.

8 So if I had my choice that wouldn't actually be
9 the term we were using, but because the legislation used it
10 we thought the consistency was more important. So we
11 basically said don't interpret it along the basis of any
12 other statute.

13 BOARD CHAIRMAN HUFF: Okay. Other questions?

14 I have about five more people who wanted to speak
15 on this particular item in Chico, and I don't know if they
16 still want to or not.

17 MR. ROSELLINI: I would, if I may. My name is
18 Rosellini.

19 BOARD CHAIRMAN HUFF: If you could speak right
20 into the microphone. They're very directional, if you miss
21 it by just an inch we can't hear you.

22 MR. ROSELLINI: My name is Rosellini. I'm an
23 adjacent owner of the subject dump.

24 Our property has been precluded from beneficial
25 use.

1 I'd like to speak of responsibility as well as
2 accountability and commitment.

3 I'd like to start with a list of NIMBYs, not in my
4 backyard.

5 No one wants a prison in their backyard. No one
6 wants a cemetery in the backyard, a factory, an airport, pig
7 farm. No one even wants an emergency hospital in one's
8 backyard. Certainly nobody wants a dump in the backyard.

9 But these are services that must be provided and
10 they're necessities, absolute necessities if civilization is
11 to survive.

12 In 1890 the City of Chico needed a dump. This was
13 a legal dump. It was so that all of the citizens in Chico
14 could concentrate one small site for the disposal of
15 domestic and commercial solid waste.

16 Ms. Neal, the gentleman, we're speaking of a legal
17 dump here, not an illegal dump. We're speaking of one in
18 which instead of having a dump in a number of areas this one
19 was designated and all of the citizens of Chico and citizens
20 of the State of California were able to use this dump alone.

21 Now, this dump fulfilled its responsibility from
22 1890 to mid '60s and dump was abandoned and it left a high
23 level of lead.

24 Now, don't we as citizens 30 years later have the
25 responsibility to clean up this dump and the co-disposal

1 sites?

2 Again this was not our dump. We are just adjacent
3 owners.

4 We're requesting that \$500,000 so that the City
5 and the adjacent owners can continue with a significant
6 amount of work that's been accomplished. There's great
7 momentum going here.

8 All of the governmental agencies have agreed in
9 principle with this cleanup plan.

10 I've had an opportunity to examine the letter from
11 Assemblywoman's letter to the board, Mr. Huff, and I think
12 she spoke about three issues and the legislative intent.

13 First she spoke about local governments must
14 participate to the extent of 50 percent.

15 Well, in this case the City of Chico has initiated
16 the action, they have expended about \$30,000 for engineering
17 expenses to date. They're requesting but \$500,000 and it's
18 hoped that the redevelopment agency will come up with the
19 rest of the money.

20 Are we an orphan site? That was Item No. 2.
21 Obviously there's no identifiable responsible party, but
22 this was done for the benefit of the entire citizenry and
23 for the city and county at that time.

24 This dump was used to protect public health.

25 Now we responded when it was required, we

1 responded to protect the public health for the entire city
2 and the county.

3 Are we not to be rewarded today for the sacrifice
4 that was made then? This was done to our detriment but it
5 was done for the benefit of the entire environment.

6 Thank you.

7 BOARD CHAIRMAN HUFF: Any questions?

8 Thank you.

9 MR. ROSELLINI: Do you have any questions?

10 BOARD CHAIRMAN HUFF: No. Thank you.

11 Anyone else?

12 I have Ed Johnson, I have Gaylord Enns, I have Don
13 Mulkey, I think that's right, and Tom Fogarty.

14 MR. MULKEY: I'm Don Mulkey. I had a few
15 comments.

16 My wife and I drove down today from Chico, Butte
17 County, to let you know that we're real people, we're not
18 just a name on a tax roll or a signature on a letter or on a
19 roster.

20 We own a small parcel of ground within the subject
21 area that we're discussing. We acquired it in 1965. It had
22 been a dead dump, shall we say, for about ten years then and
23 we certainly haven't even dumped grass clippings on it since
24 then, so it's that is my only point.

25 The folks that had it, we purchased from, are dead

1 and gone.

2 We have supported the property, shall we say, from
3 that day to this. Part of that support has been the sewer
4 assessment district that we speak of.

5 And on our small parcel we spend about \$1900 a
6 year. And every April and every December I consider
7 walking, as Mr. Boehm pointed out that it could happen, but
8 I keep hanging in there.

9 The support of the property that's my problem and
10 if I wish to maintain it I shall.

11 We were ordered to fence the property for the
12 protection of the population. We did fence it, Yvonne and
13 I, my wife and I. And it is our desire to and our intent to
14 be cooperative and that's why we spent \$3,000 to put a fence
15 around it.

16 But we also solicit your cooperation.

17 Chico is growing in the direction of this problem
18 area and we and Chico needs assistance. Our need is great
19 and it's immediate.

20 We feel our problem is covered under AB 2136 and
21 we respectfully request your consideration and your
22 financial support.

23 Thank you.

24 BOARD VICE CHAIRMAN CHESBRO: May I ask a
25 question.

1 BOARD CHAIRMAN HUFF: Question.

2 BOARD VICE CHAIRMAN CHESBRO: I have a question
3 for you.

4 Your property is contaminated by virtue of the
5 fact that it was part of the landfill site or is it an
6 off-site that has been contaminated by groundwater or --

7 MR. MULKEY: No, sir. It was used as a private
8 dump. Back in those days a man could get a pickup and a
9 piece of ground and permit from the City and go into the
10 scavenger business. This parcel fit into that type of
11 operation.

12 BOARD VICE CHAIRMAN CHESBRO: You are one small
13 piece of the overall --

14 MR. MULKEY: Right here, sir.

15 BOARD VICE CHAIRMAN CHESBRO: So the dumping
16 activity you're talking about was separate from the city,
17 the larger burned up?

18 MR. MULKEY: You're correct.

19 BOARD VICE CHAIRMAN CHESBRO: I see. Thank you.

20 BOARD CHAIRMAN HUFF: Any other questions?

21 MR. MULKEY: Thank you.

22 BOARD CHAIRMAN HUFF: Thank you.

23 Ed Johnson.

24 MR. JOHNSON: I drove all the way down to
25 Sacramento so I -- what Mr. Boehm was saying just about says

1 it all. Just introduce myself, Ed Johnson. I might be back
2 here addressing the Board again.

3 Thank you very much.

4 BOARD CHAIRMAN HUFF: Thank you.

5 Gaylord Enns.

6 MR. JOHNSON: Gaylord Enns.

7 Mr. Chairman and Board, we appreciate the
8 opportunity to speak to you today.

9 I'm with Pleasant Valley Assembly of God Church.
10 I represent a constituency of 500 people in our
11 congregation.

12 In 1978, the end of 1978 we purchased a 19-acre
13 parcel which begins immediately on the site of this
14 contaminated area.

15 Of course, at the time there was not the
16 environmental awareness that there is now.

17 And this along with other challenges have kept us
18 from utilizing the property even though we proceeded and
19 were beginning to have plans in for construction within two
20 years of that time.

21 We have been stopped on a number of fronts and
22 have done everything we can to try and push through these
23 kind of barriers.

24 When we received Department of Health Services
25 letter in March of 1990 I was on the phone the next day

1 trying to contact them and got their answering machine for
2 the next week, but was able to eight days later talk to them
3 in person.

4 We provided documentation because we had done
5 testing already on our site to determine whether we were
6 impacted directly by this problem and they informed us that
7 the testing was not adequate.

8 We paid another \$7,000 to do 30 some test holes on
9 our 19-acre site.

10 And the problem just keeps going on in the sense
11 that now even though we've demonstrated that our site is not
12 contaminated, because of the border zone issue we are
13 impacted in terms of the uses that we can have, clear zones,
14 whether you can have child care in the site.

15 And then when we in somewhat desperation are
16 saying can we sell the site, can we recover our money, again
17 we're impacted because of the vicinity.

18 And we very much would request, and I speak on
19 behalf of our congregation, that you would help us out in
20 any way you could to resolve this.

21 There has been a cooperative and a good faith
22 effort, but funds are very hard to come by in this matter.

23 And we would like to proceed and I believe, while
24 I don't understand the technical things that you're all
25 dealing with, I am asking you to just do everything you

1 could to give us a hand and clear this area and help what
2 was determined quite a number of years back as the direction
3 the city needed to grow in. The sewer assessments we're
4 involved in that. All those costs continue to pile up and
5 now we're trying to remediate a problem.

6 Thank you for your help and having, allowing us to
7 come and speak to you today.

8 BOARD CHAIRMAN HUFF: Thank you.

9 And Tom Fogarty.

10 MR. FOGARTY: Good afternoon, Mr. Chairman and
11 Board members.

12 Quite a few of the things I wanted to say have
13 already been covered so I'll make my points brief.

14 I'm a co-owner of property adjacent to the dump.
15 We have roughly 60 or probably 70 thousand cubic yards of
16 waste material on our site.

17 The area that we own is pretty much around the
18 dump and adjacent to it plus another parcel which is just
19 above this dump area and therefore comes under the
20 provisions of the 2,000 foot requirement of, I can't think
21 of it right now, the border zone determination requirement.

22 So we have quite a bit of properties encumbered
23 with the waste that's come on this property that's acquired
24 there from 1890 to around 1960.

25 The thing that is significant about it is when you

1 start talking about the dollars and cents and that's where
2 it really comes home to roost, our annual payments for sewer
3 and taxes on these properties run in the neighborhood of
4 \$80,000 a year.

5 And yet we're not able to use the property until
6 we get it cleaned up.

7 We willingly participate with the other landowners
8 with the City and with the State agencies to take care of
9 this problem.

10 We're simply at a point now where we need some
11 money to get us a little further down the road.

12 There's some mention made about a new
13 redevelopment agency that's being formed. That agency is
14 projected to be quite a strong redevelopment agency and I
15 think it's one where you'll find that we will be able to
16 repay a loan that's made to us.

17 And that may not be true in other sites that
18 you're considering. I wonder as I sit and listen to all
19 this how the State gets their money back because you always
20 say the bottom of it we're going to go back for full
21 recourse of your funds.

22 And I would think in some of these situations it's
23 very difficult to get your money back.

24 I think this thing is a win-win situation because
25 if you can provide some funds for us so that we can get our

1 plans underway and our RDA is go into existence and will
2 provide the funds to pay you back later.

3 Like I said, I think it's a win-win situation.

4 And I appreciate very much your consideration of
5 the matter.

6 Thank you very much.

7 BOARD CHAIRMAN HUFF: Thank you.

8 Any questions?

9 Thank you.

10 MR. GIRARD: My name is Kurt Girard. I'm the
11 solid waste manager for Louisiana-Pacific and I'm also a
12 chair of the California Forestry Association environmental
13 committee.

14 I'd like to not talk about Chico, talk about the
15 AB 2136 program and offer an award, I'll call it the WRAP
16 award, and that's Working Regulators Achieving Professional
17 Performance. I'd like to single out six staff members that
18 worked on a project that we are involved in and our
19 relationship with the Mendocino County in providing clean
20 materials for vegetative cover.

21 And that's Bob Anderson, Scott Walker, and Marge
22 Rouch at staff level and the management support provided by
23 Doug Okumura, and Dorothy Rice and Mr. Ralph Chandler.

24 There's many of my fellow workers not only with
25 Louisiana-Pacific but the California Forestry Association

1 that thinks that there's a level of dysfunction down here in
2 Sacramento in regulatory matters and I would just like to
3 say that it didn't happen here and I'd like to tell you that
4 and I'll be communicating that message to them.

5 BOARD MEMBER NEAL: Do they get a nice wooden
6 plaque?

7 MR. GIRARD: Do you have wooden plaques? I'll see
8 what I can do.

9 BOARD VICE CHAIRMAN CHESBRO: Made from wood waste
10 recovered from the Caspar site.

11 MR. GIRARD: As you can tell this is somewhat
12 impromptu, but I appreciate it.

13 We look forward to working on positive solid waste
14 issues, full utilization, resource reclamation, job creation
15 and value-added resource recovery.

16 Thank you very much.

17 BOARD CHAIRMAN HUFF: Thank you.

18 Okay. Is there anyone else here to speak on any
19 of the sites in our Item 24?

20 Okay. That includes Foster Road, Caspar. How do
21 you pronounce that one, Weitchpec. And Haywood.

22 BOARD VICE CHAIRMAN CHESBRO: I would move we
23 approve the staff's recommendations.

24 BOARD CHAIRMAN HUFF: It's been moved we approve
25 staff recommendation.

1 Any further discussion?

2 Roll call.

3 BOARD SECRETARY KELLY: Board Member Chesbro.

4 BOARD VICE CHAIRMAN CHESBRO: Aye.

5 BOARD SECRETARY KELLY: Egigian.

6 BOARD MEMBER EGIGIAN: Aye.

7 BOARD SECRETARY KELLY: Heidig.

8 BOARD MEMBER HEIDIG: Aye.

9 BOARD SECRETARY KELLY: Neal.

10 BOARD MEMBER NEAL: Aye.

11 BOARD SECRETARY KELLY: Relis.

12 BOARD MEMBER RELIS: Aye.

13 BOARD SECRETARY KELLY: Chairman Huff.

14 BOARD CHAIRMAN HUFF: Aye.

15 Motion carries 6-0.

16 So that takes us to Item 27.

17 MR. GORFAIN: Mr. Chairman, members of the Board,
18 as I introduce Item 27 I'd like to suggest that you keep in
19 mind Item 27 and 28 both because they're somewhat related in
20 terms of being funded through the same source.

21 Item 27 addresses the approval of block grants for
22 the used oil program in California.

23 By way of background, in December of 1993 the
24 Board approved the first annual cycle of used oil block
25 grants to local governments in the amount of \$6.24 million.

1 Local governments receiving these grants included
2 approximately 62 percent of the State's population. This
3 grant program is issued on a per capita basis.

4 Based on a recent used oil fund condition
5 statement we now know that we have actually \$22.14 million
6 in that fund.

7 Together with the 6.24 we're really talking about
8 28 some odd million dollars and I will summarize that for
9 you more immediately at the very end of my presentation.

10 As required by statute the Board is obligated to
11 offer to local governments one half of this money, or \$10
12 million, whichever is greater.

13 In this instance it is the greater amount which
14 is -- which is \$7.64 million we're asking for now and the
15 6.24 offered earlier for a total of \$13.9 million.

16 Based on this new information of the fund
17 condition the administrative committee has recommended to
18 the Board that it offer current grantees the opportunity to
19 apply for an augmentation to their existing grant.

20 In addition, at the request of local governments
21 that the grant program cycle be put on a fiscal-year basis.
22 The committee was recommended that the augmentation requests
23 be offered for an 18-month period extending the grant period
24 to June 30th, 1995.

25 As recommended by staff local governments taking

1 full advantage of this offer will have the per capita
2 allocations increased from 23 to 66 cents per capita.

3 Since not all local governments applied for the
4 block grants the first cycle staff is planning to circulate
5 a notice of fund availability, which is actually ready to
6 go, to those who did not previously apply in the so-called
7 second cycle solicitation.

8 Staff expect that one to three million dollars
9 would be applied for in the second cycle for the period of
10 July 1, 1994, to June 30th, 1995.

11 While the issuance of the NOFA does not require
12 formal approval by the Board, approval of the grant awards
13 does and will be brought to the Planning Committee and the
14 Board by June 30th of this year.

15 To summarize, we started out here with \$28.38
16 million, which is the 22.14 plus the \$6.24 million we
17 already granted.

18 From that we granted \$6.24 million in December of
19 1993 and you have a chart on the screen before you.

20 And in this -- in the recommendation before you
21 today you will be authorizing the granting of an additional
22 7.64 million in what is essentially a three-step process.

23 You will be increasing the per capita allocation,
24 extending the term of the grant by six months, and offering
25 a second cycle to those who have not previously applied.

1 In concluding my presentation on this item I'd
2 like to acknowledge the support and the hard work of the,
3 and cooperation of the Waste Prevention and Education
4 Division, the Administrative and Finance Division and the
5 Markets and Technology Division staffs in working very
6 closely on this item.

7 That concludes any presentation.

8 BOARD VICE CHAIRMAN CHESBRO: Mr. Chairman, I'm
9 trying to square the numbers between the two item, this one
10 and the next one.

11 And jumping ahead to No. 28 it shows local
12 government used oil opportunity grants. This is on page two
13 of Item 28. It says 8 to 10 million.

14 Is that the same or am I getting two things
15 confused here? Is that the same thing?

16 MR. GORFAIN: The opportunity grants are in
17 addition to the block grants. There are seven grants and
18 they are designed primarily to assist local governments in
19 starting up, in setting up used oil collection programs, as
20 opposed to the block grants which are more oriented toward
21 reimbursing local governments.

22 BOARD VICE CHAIRMAN CHESBRO: I'm just trying to
23 add this all up to the 20, what did you say, 24?

24 BOARD CHAIRMAN HUFF: Let me stop.

25 Start with 28 million. You got 28 million to

1 spend. Okay.

2 We've already spent six of it.

3 So now we have 22 to spend.

4 We're going to spend seven of it and change,
5 almost eight.

6 In simply bumping the original six on up. Okay.

7 So now we have 14 to spend.

8 The next item takes care of the 14. Okay.

9 This item bumps the six up.

10 BOARD VICE CHAIRMAN CHESBRO: Got it.

11 BOARD CHAIRMAN HUFF: Next item spends the rest of
12 the money.

13 BOARD MEMBER HEIDIG: Mr. Chairman.

14 BOARD CHAIRMAN HUFF: Yes, Mr. Heidig.

15 BOARD MEMBER HEIDIG: Dan, when is the -- isn't
16 there a cap on admin that can be used in this fund?

17 MR. GORFAIN: Yes; there is. It is \$3 million a
18 year for administration.

19 BOARD MEMBER HEIDIG: You've already taken that
20 out of the --

21 MR. GORFAIN: That's correct.

22 BOARD MEMBER HEIDIG: -- the 28 million; correct?

23 Isn't that defined as less than five percent when
24 we went over the numbers?

25 MR. GORFAIN: As less than five percent? I'm not

1 sure I'm following you.

2 BOARD MEMBER HEIDIG: Well, how much of admin does
3 that 3 million pay for out of the --

4 MS. MACHT: Are you asking the question does the
5 law require it be 3 million or a percentage of --

6 BOARD MEMBER HEIDIG: A percentage.

7 CHIEF DEPUTY DIRECTOR RICE: The law states 3
8 million.

9 MS. MACHT: Yes.

10 BOARD CHAIRMAN HUFF: Okay. Any other questions?

11 BOARD VICE CHAIRMAN CHESBRO: We recommended this
12 because it was a way to get the money moving for the purpose
13 that the Legislature intended in a timely fashion, so I
14 think we ought to go ahead with it and it's a way to build
15 on, move quickly because we are building on what we've
16 already got going.

17 So that if there's no more questions I'll go ahead
18 and move the recommendation.

19 BOARD CHAIRMAN HUFF: Very well.

20 It's been moved now.

21 Actually we're bumping this up as far as we can.

22 MR. GORFAIN: Yes.

23 BOARD CHAIRMAN HUFF: Under what the Budget Act
24 shows.

25 MR. GORFAIN: Correct.

1 BOARD CHAIRMAN HUFF: If we wanted we could bump
2 it up further but we would have to go in with Section --

3 MR. GORFAIN: 28.

4 BOARD CHAIRMAN HUFF: -- 28 letter, wait for 60
5 days, et cetera, et cetera.

6 MR. GORFAIN: That's right.

7 BOARD CHAIRMAN HUFF: So we're taking this up to
8 the full level that the Legislature anticipated in the
9 Budget Act of 1993.

10 MR. GORFAIN: Correct.

11 In fact we may find out that by the time that
12 local government buys off on this that they might not buy
13 off on the full amount and we may have a little money left
14 over which will then transfer over, be usable in the items
15 that are -- by the items covered in No. 28.

16 BOARD CHAIRMAN HUFF: That's true. That happens
17 automatically; doesn't it?

18 MR. GORFAIN: Correct. Because it's really one
19 fund.

20 BOARD CHAIRMAN HUFF: Yes. Okay.

21 So have you moved it, Mr. Chesbro?

22 BOARD VICE CHAIRMAN CHESBRO: Yes.

23 BOARD CHAIRMAN HUFF: It's been moved.

24 Roll call, please.

25 BOARD SECRETARY KELLY: Board Member Chesbro.

1 BOARD VICE CHAIRMAN CHESBRO: Aye.
2 BOARD SECRETARY KELLY: Egigian.
3 BOARD MEMBER EGIGIAN: Aye.
4 BOARD SECRETARY KELLY: Heidig.
5 BOARD MEMBER HEIDIG: Aye.
6 BOARD SECRETARY KELLY: Neal.
7 BOARD MEMBER NEAL: Aye.
8 BOARD SECRETARY KELLY: Relis.
9 BOARD MEMBER RELIS: Aye.
10 BOARD SECRETARY KELLY: Chairman Huff.
11 BOARD CHAIRMAN HUFF: Aye.
12 Motion carries 6-0.
13 That takes us to 28 and the rest of the money.
14 MR. GORFAIN: And the rest of the money. The rest
15 of the story.
16 Pat Macht will tell it to you.
17 MS. MACHT: Thank you, Dan.
18 The Used Oil Recycling Act describes how the Board
19 shall expend this \$14.5 million and it directs it to spend
20 for three major purposes.
21 One is opportunity grants, and the second is
22 education, and finally research and development projects.
23 Can everyone hear me?
24 BOARD CHAIRMAN HUFF: Pull that thing right up
25 close to you. Speak right into it.

1 MS. MACHT: As has been stated, \$14.5 million is
2 currently in this account and the Act calls for this to be
3 spent in the following percentages.

4 40 percent should be spent for local government
5 collection. 10 percent for establishing of centers. 20
6 percent for education and information. \$200,000 was
7 expected to be kept into reserve to reimburse centers for
8 the cost of disposal in case they have contaminated loads.

9 By the way, we haven't had any of those incidents
10 happen.

11 The balance can be used for research and
12 development, or testing and demonstration projects to
13 develop uses for recycled or used oil.

14 The timing for bringing this item to the Board is
15 deliberate. On February 28th as you know we received a
16 final word that the funds may be expended this year.

17 AB 712 as you know eliminated our promotion
18 account category and merged the authority to spend into the
19 direct fund which is continuously appropriated.

20 The Department of Finance had disagreed with
21 staff's opinion that continuously appropriated apply to the
22 promotion account, but this has now been clarified with the
23 letter from the Controller's office.

24 Staff from the Waste Prevention Division, the
25 Markets, Research and Technology Division, and the

1 Administration and Finance Division have worked together
2 closely to coordinate proposals into an integrated plan and
3 we were directed to do this on March 22nd by the
4 Administration Committee.

5 And at this time I'd like to go over the ten
6 projects that we're requesting.

7 The first of these is the opportunity grants.
8 This really falls into the Markets Research Division.

9 The Board had adopted the application packet back
10 in December and it's my understanding that the applications
11 are due in on April 14th and they're expecting 40 to 60
12 applications.

13 On that basis it would appear that 8 to 10 million
14 dollars would be expended for that purpose and these
15 projects are supposed to be brought forward to the May Board
16 meeting.

17 I can continue to go down the list of them if
18 you'd like, but I would at this point seek direction from
19 the Board.

20 BOARD CHAIRMAN HUFF: Are there questions about
21 individual items or would it be the members' pleasure just
22 to hear just from A to Z?

23 BOARD MEMBER NEAL: I don't think we need an A to
24 Z, but I think there are a few that need some discussion.

25 BOARD CHAIRMAN HUFF: Okay. And I thought I saw a

1 question over here.

2 BOARD MEMBER RELIS: Yes. I had a question.

3 Looking at the list, and I realize that there's
4 been a very short time frame, it's somewhat analogous to the
5 1220 allocations we discussed earlier, but I'm concerned
6 that I would like to see some connection to procurement
7 activity be given the fact that there's a related function
8 between, you know, what we're promoting, trying education,
9 and a behavior, trying to change.

10 And I know in our interaction with Department of
11 General Services there's an effort by the State to convert a
12 lot of the oil use to recycled oil.

13 And so I was wondering if there's a way to link
14 that. Haven't had any time to discuss this with anybody as
15 yet so it's just putting it out there.

16 And, secondly, in the first two areas the used oil
17 curbside promotion grant and the Conservation Corps schools
18 outreach this is a very large amount of money, and while
19 it's statewide it's really those first three areas where it
20 seems to me, I mean before I would feel comfortable with
21 those levels of allocation I would like a little more
22 discussion or, you know. I don't want to hold up moving
23 this along, but I think we need a check, you know, of where
24 we have more clarification about what will we get for those
25 expenditures, because these are very large expenditures.

1 And in the past with expenditures of this scale
2 we've had quite a bit of deliberation on them and I would
3 like to hear if there is a process whereby I know we need to
4 encumber the funds, but this is a concern I have. So I'd
5 like to know what your response would be.

6 BOARD MEMBER NEAL: May I add or also comment on
7 the Conservation Corps item I will point out for the record
8 that the last fiscal year we also did a project with
9 Conservation Corps for a million dollars so this is \$2
10 million over two years. I read that one million each year.
11 So it is not unprecedented at this Board.

12 And I think we do have a model to follow and one
13 that was very successful when we did our million dollars'
14 worth of Conservation Corps previously.

15 Second, on the statewide public education contract
16 there was a suggested amendment to the language that is
17 provided in your item which would be augmentation of the
18 Board's existing or issue a new contract. Because I don't
19 think that we ought to approve this with the assumption that
20 we're going continue with the existing contract.

21 BOARD CHAIRMAN HUFF: Okay.

22 BOARD VICE CHAIRMAN CHESBRO: I would --

23 BOARD CHAIRMAN HUFF: If it's a new contracts it's
24 tight, short fuse.

25 BOARD MEMBER NEAL: I understand.

1 But we are still in the process of evaluating the
2 existing contract, so I don't think we feel comfortable at
3 this point guaranteeing --

4 BOARD CHAIRMAN HUFF: We certainly should not
5 close the door.

6 BOARD MEMBER NEAL: Yes.

7 BOARD VICE CHAIRMAN CHESBRO: Mr. Chairman.

8 BOARD CHAIRMAN HUFF: Yes.

9 BOARD VICE CHAIRMAN CHESBRO: I concur with the
10 use of the Conservation Corps as a delivery mechanism. I
11 think they have really proven themselves in our previous
12 relationship with them.

13 The only question I would have with that one has
14 to do with target audiences and trying to make sure that we
15 get the information to those that are going to be most -- we
16 are going to have a direct effect on recycling oil.

17 And so, you know, for example the early primary
18 grades might not be as effective as, say, you know
19 teen-agers or something.

20 So that would be my only concern.

21 If it was a general recycling message I think it
22 would be more appropriate at the younger grades, but so I
23 would just want to make sure we fine tune this so that we're
24 really targeting it in the most effective way.

25 The other concern I had was the question that

1 Mr. Huff raised about our ability to get new contracts and
2 put new contracts in place.

3 I would say with a number of these there's a
4 question of whether we're going to make it by the end of the
5 year. So I want to know whether or not we have built in
6 some mechanism to contingency to take money that looks like
7 we're not going to make it in some categories and then put
8 it back into areas that look like they are.

9 In other words, enough flexibility built in to
10 where we can try to make sure these funds are expended in a
11 timely fashion and to keep the balls juggling until they
12 wind up in the right category to get done by the end of the
13 year.

14 BOARD MEMBER NEAL: I would agree about targeting
15 the Conservation Corps school outreach appropriately and
16 perhaps when we're defining what school audience, junior
17 high and high school, particularly high school if they're
18 not driving, at least half of them would be driving when we
19 do this or be getting ready to and I think that that would
20 be a really sound long-term investment to educate our
21 current or future drivers in the state very early.

22 BOARD CHAIRMAN HUFF: You mean driving with a
23 license.

24 BOARD MEMBER NEAL: Yes. Certainly. I would --
25 we know that our teen-agers in the State of California would

1 never think of driving without a license.

2 BOARD CHAIRMAN HUFF: What was it that the
3 Conservation Corps did for us before?

4 BOARD VICE CHAIRMAN CHESBRO: A whole bunch of
5 things.

6 EXECUTIVE DIRECTOR CHANDLER: Yes; they did, but
7 most specifically it was a recycle paint program where we
8 had batched quite a bit of paint that had been recycled and
9 did some --

10 BOARD MEMBER NEAL: Well, no, I would not classify
11 it as a recycled paint program exclusively. They were also
12 involved in some public education activities.

13 EXECUTIVE DIRECTOR CHANDLER: Right.

14 BOARD MEMBER NEAL: On reduction and recycling.

15 BOARD VICE CHAIRMAN CHESBRO: There was composting
16 projects.

17 BOARD MEMBER NEAL: Composting projects, recycled
18 paint projects.

19 BOARD VICE CHAIRMAN CHESBRO: There was building
20 debris recycling for some demolition that was going, public
21 building demolition.

22 BOARD MEMBER NEAL: Composting projects in the
23 schools.

24 MS. MACHT: In all there was 75 projects that were
25 selected last year.

1 And I did do an analysis, a quick analysis, of the
2 number of projects that in which there were education
3 components that also included schools.

4 BOARD CHAIRMAN HUFF: You anticipated.

5 MS. MACHT: Yes.

6 BOARD CHAIRMAN HUFF: Go ahead.

7 BOARD MEMBER NEAL: Let me also say that was one
8 of our criteria when we first went into the project that it
9 have an education component.

10 MS. MACHT: I might add a few other points about
11 the Conservation Corps proposal.

12 First is that they have discussed this project
13 with them, they're extremely excited. One of the challenges
14 that they said they were facing, they had faced in recent
15 years is that they've had many projects or a history of
16 doing field kind of work. And they recognize that these
17 young adults also need presentation skills. So they are
18 anxious to get projects such as ones they worked with with
19 the Board last year to assist these young people in
20 developing those kinds of presentations skills.

21 There's also some flexibility here. Just as last
22 year that project included the use of Urban Corps interns
23 who are the Community Conversation Corps type individuals
24 who have done a lot more in the area of presentations, this
25 we would -- our proposal would be that we have that same

1 kind of flexibility for them to subcontract with Community
2 Conversation Corps.

3 In some ways this is building upon the work that
4 was done last year and we do recognize that there does need
5 to be a structured training program and the CCC has
6 expressed their interest and willingness to ensure that a
7 really good training program is established before the
8 interns go out and conduct this work.

9 We would, our proposal would be to bring back for
10 perhaps to the chair of the Legislative and Public Education
11 Committee a more specific list of their activities for this
12 project.

13 BOARD MEMBER NEAL: So I understand correctly,
14 you're suggesting that the State will get multiple benefit
15 from the investment of these funds in the Conversation
16 Corps.

17 But let me also make sure that I understand
18 something else that you stated, not that we would contract
19 directly with the local Corps, but if the State Corps
20 determined that that was an approach they wanted to use, it
21 would be their responsibility to then go out to the local
22 Corps?

23 MS. MACHT: Yes. That would be our
24 recommendation, both because we know it's worked before but
25 also because of staff resources. We don't really have the

1 staff on board to be able to manage 10 or 12 separate
2 smaller contracts that would be basically on a regional
3 basis.

4 BOARD VICE CHAIRMAN CHESBRO: So this would
5 encumber the money but at the same time is it a drawdown
6 contract that would be based on actual projects?

7 MS. MACHT: Yes.

8 BOARD VICE CHAIRMAN CHESBRO: So any money that
9 wasn't used we could at the end of the contract period or
10 the year we can then determine at that time what to do with
11 it?

12 MS. MACHT: Yes; that's right.

13 BOARD MEMBER HEIDIG: Mr. Chairman.

14 BOARD CHAIRMAN HUFF: Yes, Mr. Heidig.

15 BOARD MEMBER HEIDIG: I'd like to ask, Pat, do we
16 have in the \$3 million is that -- excuse me, in the 20
17 percent of education and information, is that money -- that
18 is required that we spend 20 percent for education and
19 information; is that correct?

20 MS. MACHT: Yes. 20 percent of what's left in the
21 promotion account.

22 BOARD MEMBER HEIDIG: My concern is to move to
23 something that Mr. Chandler talked about in his Executive
24 Director's report, the idea of generating an information
25 system.

1 And, Ralph, when you talked about it you were
2 talking about landfill sites and composting and geographic
3 information system.

4 It seems to me that we have a data collection
5 problem. We know that there's 77 million gallons of oil
6 that are sold in California, but we're not really sure how
7 many are dumped. We don't have a database for that kind.
8 We don't know how many, what kind of database there is in
9 terms of purchasing recycled oil.

10 I would like to see some allocation of funds that
11 would allow for us to build a database on a market
12 development procurement model that would first talk about
13 the assessment of the pollution problem and also talk about
14 how we could develop markets with that kind of a database.

15 I don't see that in this proposal and since we
16 have a three million cap I'm not sure that we can use
17 existing staff resources to do that.

18 And that would be, I would think, an important
19 thing to look at building in terms of contracting or
20 allocation of these monies.

21 BOARD CHAIRMAN HUFF: Well, your suggestion
22 strikes a responsive note at least in the way I think.

23 What's the staff response?

24 MR. GORFAIN: If you look on the chart on
25 Attachment 1, page 2, I was looking for the page in the

1 agenda. Anyway, the chart that you have in front of you for
2 all the various projects, one category is research and
3 development, research and demonstration grants. And that
4 may be an area we can do some of that.

5 BOARD CHAIRMAN HUFF: Well --

6 MR. GORFAIN: We'll certainly consider it.

7 BOARD MEMBER HEIDIG: It's fairly puny at 40,000,
8 however.

9 BOARD CHAIRMAN HUFF: How about doing more than
10 considering it?

11 MR. GORFAIN: Okay. Doing it.

12 BOARD CHAIRMAN HUFF: How about doing it?
13 And how much does it cost to do it?

14 MR. GORFAIN: That we'll have to evaluate.

15 BOARD CHAIRMAN HUFF: Because certainly you can
16 get a nickel here and there up and down this list and make
17 that a little less puny.

18 MS. MACHT: We'll be happy to.

19 BOARD MEMBER RELIS: Mr. Chair, I have a comment
20 that it's not directly related to the list before us but it
21 came up when I was getting briefed by staff on this.

22 Looking at the scale of some \$22 million in
23 related to oil and the management of oil and the recycling
24 of oil and so forth, you know, I asked the question, it's my
25 understanding the Department of Toxics has an allocation

1 that comes from their, what is it, the manifest system to
2 oversee the regulation or the enforcement side of facilities
3 that recycle the oil.

4 But my concern is, and I have no reason to believe
5 that isn't going on, but this whole investment in the proper
6 management of oil is contingent upon our sense of ours and
7 other agencies' sense of security that there are not
8 improper uses to which recycled oil's being put.

9 And I say this because I've been made aware over
10 the last few months of, you know, potentially some not
11 altogether scrupulous operations that might be going on.

12 And do we have any means of in looking at this
13 entire area of waste oil of receiving some assurance, maybe
14 have Department of Toxics explain to us how the enforcement
15 side of this works on the oil facilities and how that -- I'm
16 just concerned that at some point if we were to find that
17 there was a problem with recycled oil, and I'm not saying
18 that exists, but to prevent this, to do everything possible
19 to prevent it, it would be kind of like material that's
20 recycled, but then say it was -- it didn't have proper
21 quality and ended up in a landfill. It would have a very
22 devastating effect on the sense that we're on top of this
23 area.

24 BOARD CHAIRMAN HUFF: Yeah. We can do that.

25 And also Mr. Heidig's database helps us there.

1 BOARD VICE CHAIRMAN CHESBRO: We also in the
2 certification process, remember there was a representative I
3 think of Evergreen who wanted us to actively engage in the
4 regulatory questions and we linked the two but with a
5 certain arm's-length relationship where we didn't want to be
6 doing Toxics' job for them and duplicating but at the same
7 time some sort -- I think it was a referral process, wasn't
8 it, where if somehow we became aware.

9 MS. MACHT: Let me take a minute to explain that.

10 BOARD VICE CHAIRMAN CHESBRO: I don't remember the
11 details.

12 MS. MACHT: Under this program the Department of
13 Toxic Substances received 450,000 direct appropriations.

14 BOARD MEMBER RELIS: So we appropriated 450,000.

15 MS. MACHT: 450,000 of our money.

16 CHIEF DEPUTY DIRECTOR RICE: It's a direct
17 appropriation in the budget every year.

18 BOARD CHAIRMAN HUFF: Legislature did it annually.

19 CHIEF DEPUTY DIRECTOR RICE: Annual.

20 BOARD MEMBER RELIS: That's a good amount of
21 money.

22 BOARD MEMBER NEAL: So they can do for used oil
23 what they do for asbestos.

24 BOARD MEMBER RELIS: Now, as I understand it
25 that's 450 plus there is the manifest money. That's outside

1 the manifest money.

2 MS. MACHT: They do charge for, you know, for that
3 as well. Well, but the \$450,000 pays for 4.5 PY. And what
4 the used oil program gets for that is they do permit the
5 recycling facilities, they do annual inspections. They have
6 just completed ten, I think ten major inspections. And
7 these are pretty thick reports.

8 And they're required to report back to the Board
9 on those inspections.

10 And we review those, our staff reviews those
11 inspections to determine whether or not there's sufficient
12 number of violations serious, violations are recurring
13 violations that would in effect make our program, you know,
14 be a -- would be a problem.

15 And we have the authority under our -- under the
16 Used Oil Recycling Act to decertify a recycling facility, so
17 that that oil could not go to that recycling facility.

18 So that's kind of our hammer.

19 BOARD MEMBER RELIS: Would that come before -- so
20 that's due to come before the Board in the form of a report
21 or is it handled administratively?

22 MS. MACHT: It's been handled administratively,
23 but I mean certainly if you want to have them come over
24 and --

25 BOARD MEMBER RELIS: I for one would like that

1 because I think we've got a lot at stake.

2 MS. MACHT: Absolutely.

3 And they inspect for safe containment. They check
4 the -- they check to see that these facilities are -- have
5 good oil coming and good oil going out on its way to the
6 re-refinery.

7 And there are also some closure plans and funding
8 requirements that they have, much like our landfills have in
9 the event that they are, have a big major problem.

10 BOARD VICE CHAIRMAN CHESBRO: So we in the
11 certification process have some sort of a point at which we
12 receive that information to -- before a certification takes
13 place?

14 MS. MACHT: Well, it's more like they're already
15 certified, but when the annual inspections take place we
16 receive those reports and in fact we've given them a
17 questionnaire to the inspectors that they use so that we can
18 be sure that they're checking the things that we think are
19 critical as well, so that comes to us.

20 BOARD MEMBER EGIGIAN: Can we at the same time
21 find out what they're doing with this used oil?

22 The reason I ask this question in the new car
23 operational books where it tells you what kind of oil to use
24 and so forth, it says in there, and I'm not sure if there is
25 in all of them, but it says in there that re-refined oil

1 should not be used in this vehicle. So what are they doing,
2 using it for asphaltting only?

3 MS. MACHT: Most of it -- excuse me.

4 BOARD MEMBER NEAL: Can I address that as well?

5 The last item on the list is the barriers to
6 re-refined oil use study.

7 And although there needs to be correction on the
8 way that it's stated, Sam, that is intended to address just
9 the issue that you bring up.

10 We recognize that one of the huge barriers is the
11 response of the manufacturers to the use of re-refined oil
12 in their products.

13 And so it's our intent with that particular
14 activity to pinpoint exactly what their issues are, sort of
15 force them to state whether they are credible issues or
16 whether they're smoke screen issues and then to develop
17 recommendations on how to address those issues.

18 And the wording here should be changed, instead of
19 saying changing perceptions it should be to address the
20 issues pointed up in that study.

21 BOARD VICE CHAIRMAN CHESBRO: When the gentleman
22 from General Services came before the Markets Committee,
23 didn't he bring this up and say that they were doing
24 something?

25 BOARD MEMBER RELIS: That's why it -- there is a

1 case where the State's considering using waste oil for its
2 fleets, that's contrary -- where they have satisfied the
3 manufacturer's warranty requirements if I am correct on
4 that. And that's why if that in fact proves to be true, if
5 that plays out, we've got a real opportunity to carry this
6 to the -- around the state and use DGS's experience to make
7 this a statewide, you know, effort so that we dispel
8 whatever perceptions.

9 BOARD VICE CHAIRMAN CHESBRO: So what's done here
10 clearly needs to be in part built on what DGS is doing.

11 MS. MACHT: What we might suggest for that idea is
12 to include in the, under the item of used oil information
13 workshops, that a certain number of workshops be held and
14 that we seek DGS to be the agency that comes out and puts on
15 workshops for local governments to attract them to using
16 re-refined oil in their fleets.

17 BOARD MEMBER RELIS: Or at least cooperate.

18 BOARD MEMBER NEAL: At the same time it's also
19 suggested that when the study ought to be built on, so DGS
20 experience.

21 BOARD VICE CHAIRMAN CHESBRO: If they've gotten
22 some warranty assurances from the auto makers for the State
23 fleet, then we have to figure out how to transfer that to --

24 BOARD MEMBER NEAL: To the general public.

25 BOARD VICE CHAIRMAN CHESBRO: -- other fleet

1 operators and the general public so that we get the word
2 out, that that in fact is the case.

3 BOARD MEMBER EGIGIAN: I think I'd like to find
4 one other thing whether it's proven or not.

5 20 years ago this company came to the people that
6 were running diesel equipment and telling them that oil does
7 not wear out, it only gets dirty. And they had a filter
8 system whereby you would throw away the original filter and
9 add two large rolls of bathroom paper, toilet paper, and
10 just continue to rotate those over certain mileage, and you
11 never change the oil. You would add a little to it, but
12 never change it. Because oil does not wear out.

13 If they were lying to us, I don't know, but our
14 trucks ran good.

15 BOARD CHAIRMAN HUFF: Trucks still running?

16 BOARD MEMBER EGIGIAN: The trucks were running
17 very good.

18 MS. MACHT: Good reuse option.

19 BOARD MEMBER RELIS: Do we have enough resources
20 to do some of these things we're talking about here?

21 BOARD CHAIRMAN HUFF: Well, now, we'll talk about
22 that in a second. I'll answer that.

23 But first Mr. Heidig.

24 BOARD MEMBER HEIDIG: On the used oil information
25 workshop, Pat, to the Board, I guess, I have suggested to

1 staff that we use resource conservation districts either
2 instead of or in conjunction with the UC Cal State system
3 because they have such excellent relationships with local
4 government.

5 And I think that they are also engaged in nonpoint
6 source reduction pollution from the other end in terms of
7 erosion control. And I think that they could serve as
8 conduits particularly in rural California where there may be
9 significant oil dumping.

10 BOARD CHAIRMAN HUFF: Okay. Well, I would suggest
11 then that we amend that one, the used oil information
12 workshop.

13 BOARD MEMBER NEAL: Explain to me the resource
14 conservation districts.

15 BOARD MEMBER HEIDIG: There are in the State of
16 California 116 resource conservation districts covering
17 urban, suburban, and rural areas. They are specially funded
18 districts and they are interested in environmental
19 protection based on a holistic design.

20 BOARD MEMBER NEAL: Who are they funded by?

21 BOARD MEMBER HEIDIG: They're funded by
22 themselves. They fund -- they have special assessments that
23 they can assess under 6500 of the Government Code.

24 Oftentimes they are funded in conjunction with
25 boards of supervisors and local counties provide additional

1 funding.

2 BOARD CHAIRMAN HUFF: But they have a more rural
3 slant; don't they?

4 BOARD MEMBER HEIDIG: In many instances they do,
5 although I'm from the City of Thousand Oaks, Topanga, Las
6 Virgenes resource conservation district covers a swath of
7 suburban, urban area.

8 And in many cases in the State of California these
9 resource conservation districts have taken on an urban feel
10 and have instituted things from tree planting to erosion
11 control devices in an urban context.

12 So they can be rural, they can be suburban or
13 urban.

14 Question here is in the instance that they are
15 doing in outreach to the public talking about reducing
16 nonpoint source pollution from erosion, it would be a
17 logical fit that they could either provide the resources or
18 the facilities to also do this kind of oil information or
19 collection process.

20 BOARD CHAIRMAN HUFF: Answer your question?

21 BOARD MEMBER NEAL: It does.

22 I think this is the first I'm hearing of these
23 districts. I want a little more comparative information to
24 determine if that is the best vehicle for our purposes.

25 BOARD MEMBER HEIDIG: If I may respond, I'm not

1 sure that they would be the best vehicle in every instance,
2 but they may certainly be a superior vehicle wherein that
3 they in certain instances where they have established
4 relationships with the community and can be and have
5 dispensed information before.

6 BOARD CHAIRMAN HUFF: I would simply suggest that
7 on the used oil information workshops we amend the item to
8 read interagency agreements with UC/CSU or resource
9 conservation districts. Leave it open now. Just like we
10 left open the augmentation of the contract issue. We had
11 said augment the existing contract or get a new contract on
12 the education project. And these decisions are going to be
13 made a little bit further down the line.

14 BOARD MEMBER NEAL: Okay. Might there be a
15 situation where if we lock in these two, there may be some
16 others that subsequently we find are more appropriate? I'm
17 thinking for example I know that there is, Wesley help me
18 out with this, a Council on Rural Counties.

19 BOARD VICE CHAIRMAN CHESBRO: Regional Council of
20 Rural Counties, RCRC.

21 BOARD MEMBER NEAL: Could be that they may be an
22 appropriate one or there may be others. I don't know.

23 BOARD VICE CHAIRMAN CHESBRO: So perhaps it should
24 read at this point simply interagency agreements to conduct
25 workshops for government officials.

1 BOARD COUNSEL TOBIAS: I think that might be best
2 because it just has to be a state agency or another public
3 agency at this point.

4 BOARD CHAIRMAN HUFF: And that's the difference
5 with RCRC, they aren't.

6 BOARD VICE CHAIRMAN CHESBRO: Local agency could
7 conceivably be -- because I think RCRC does some interagency
8 agreement stuff through member counties, you know, where a
9 member county provides the administrative contractual
10 relationship, so.

11 BOARD CHAIRMAN HUFF: Let's amend it then to say
12 interagency and key word is interagency. Interagency
13 agreements to conduct workshops.

14 That acceptable to everyone? Okay.

15 Now, back to research and demonstration grant
16 study and Mr. Relis's concurrent question on money.

17 If you will notice we came to the conclusion that
18 we had 14 and a half million dollars available and we are
19 talking here about 12.9 to 15.6 so at the high end it
20 doesn't fit already.

21 BOARD VICE CHAIRMAN CHESBRO: You can't exceed the
22 amount we have.

23 BOARD CHAIRMAN HUFF: That's right.

24 Now, we didn't know that all of our 7.64 is going
25 to be taken. It's hard for me to believe, but we could

1 offer money out there and have no takers for it.

2 And in fact I think staff rather think that some
3 of that is going to occur.

4 So that makes it 14.5 plus available.

5 There will have to be a final accounting and staff
6 is going to have to tell me how and when we're going to do
7 that.

8 But it seems to me that we can bump research and
9 demonstration grant study up to handle the data thing,
10 because we're already over 14.5 anyway and we think that is
11 good form.

12 And so what is a good price tag on research and
13 demonstration grant study to handle the data issue?

14 MR. GORFAIN: We can venture a guess at this point
15 and offer it to you.

16 BOARD CHAIRMAN HUFF: An educated guess.

17 MR. GORFAIN: An educated guess in the range of
18 100,000.

19 BOARD CHAIRMAN HUFF: We bump this 40 up to 100?
20 Martha, speak. Is that SWAG or a WAG?

21 MS. GILDART: A request.

22 Martha Gildart with Markets and Research Division.

23 Could we split it into two different contracts so
24 that we work on them separately? It's possible --

25 BOARD CHAIRMAN HUFF: Sure.

1 MS. GILDART: -- that the Research study might be
2 held up if we're trying to get this database put together
3 and if we had two requests under the research --

4 BOARD CHAIRMAN HUFF: That's cool.

5 BOARD VICE CHAIRMAN CHESBRO: Add a category.

6 BOARD CHAIRMAN HUFF: That's cool.

7 And so what's the data price tag? 100 or 60?

8 100, sold.

9 We're adding a new one then. Compile database on
10 used oil, 100,000. Okay.

11 BOARD VICE CHAIRMAN CHESBRO: I felt that my
12 earlier comments I never got a direct response from staff
13 relative to whether there are some of these that we are more
14 likely than others to be in place and ready to expend the
15 money by the end of the fiscal year. And I don't think we
16 need to include those in a motion, but I'm just looking for
17 some assurance from you that that's the case.

18 EXECUTIVE DIRECTOR CHANDLER: Perhaps before we do
19 that, Mr. Chesbro, what I would like to do is just have
20 Marie speak one more time to this who encumbrance question,
21 because I know it can be confusing.

22 BOARD CHAIRMAN HUFF: We're going to be here until
23 5:00.

24 EXECUTIVE DIRECTOR CHANDLER: We have a budget
25 appropriation next year so some of these do not necessarily

1 have to be locked in by June 30th and I think that's
2 important to understand.

3 MS. LAVERNE: Mr. Chairman, Members, I'm Marie
4 Laverne, Deputy Director of Administration.

5 I would like to address Board Member Chesbro's
6 earlier comment and hopefully I won't muddy up the water but
7 clarify it.

8 BOARD VICE CHAIRMAN CHESBRO: As long it's not
9 with used motor oil.

10 MS. LAVERNE: No pun intended.

11 I think what's important to understand is that
12 timing with the 14 and a half million dollars and how it is
13 related to the printed Governor's budget that we have before
14 the Legislature right now for the 1994-5 fiscal year.

15 When we developed the '94-95 fiscal year budget
16 there was confusion with the control agencies on whether or
17 not we had the authority to spend the \$14.5 million of the
18 promotion account monies.

19 So the Governor's budget was developed with those
20 monies in the 1994 fiscal year, and with the expenditure
21 authority in that fiscal year.

22 We released, the administration released that
23 budget in January. It wasn't until February that we got the
24 clarifying letter last month from the Controller's office
25 supporting our position that we do in fact have the

1 authority to spend the money.

2 So we're here asking for early expenditure, I
3 guess, if you compare it to the budget process. We're
4 spending more than we have the authority to spend it in the
5 budget process with the concurrence of the Controller's
6 office.

7 What we don't spend this year is already reflected
8 in the 1994-5 fiscal year budget as an expenditure authority
9 and the money is in that fiscal year in the budget.

10 BOARD VICE CHAIRMAN CHESBRO: So why have we been
11 in this big headlong rush to get this done, why weren't we
12 able to go to the Local Assistance and Planning Committee
13 and do this in a more -- I mean it's like we have -- I mean,
14 I've been operating under the principle and the
15 understanding that we had to get this money out by the end
16 of the fiscal year.

17 MS. LAVERNE: I think the fear may be that the
18 Legislature is aware this money is sitting in the bank and
19 we may not get to the '94-95 fiscal year to spend if it's
20 gone.

21 BOARD MEMBER NEAL: To quote Mr. Huff, money is
22 fungible.

23 BOARD CHAIRMAN HUFF: That's true.

24 But let me give further, more macro approach to
25 it.

1 There is in the bank right now a considerable sum
2 of money. We haven't picked up, I gather, the last quarter
3 of the money.

4 This money is paid quarterly; right?

5 So we get about \$5 million a quarter coming in.
6 Okay.

7 And the '93-94 fiscal year we're getting \$5
8 million every quarter and it's piling up.

9 So we began the fiscal year with some money in the
10 bank. We had a beginning balance of some sum of money. The
11 budget that was passed in 1993, whichever month they passed
12 it, spent that money, some of it directly out of the budget
13 and it spent the, as I recall, the grant side; didn't it?
14 Is that correct? \$13.8 million appropriation on the grant
15 side.

16 MS. LAVERNE: Correct.

17 BOARD CHAIRMAN HUFF: So we took care of that.
18 Now the promotion side, there was a bill.

19 MS. LAVERNE: AB 712.

20 BOARD CHAIRMAN HUFF: AB 712.

21 That bill supersedes the Budget Act of 1993 and
22 gives us authority to spend the rest of the money right now.
23 Okay.

24 Any money we don't spend, don't encumber by June
25 30, 1993, is going to be in the fund. Beginning fiscal

1 19 -- July 1, 1994, fiscal '94-95, we will still be able to
2 spend the grant money whenever we want to. We can spend the
3 grant money, we don't have to wait for a budget. Okay. The
4 law gives us the authority to spend the grant money at any
5 time.

6 So if we have a beginning balance in the oil
7 account on July 1, 1994, we can go back out and advertise
8 again. We don't have to wait for the budget to pass. We
9 don't have to do anything. We just have to make it in there
10 and we have to send this flyer out that you got on the back
11 of this thing, page whatever this is, notice of funding
12 availability. We can send another one of these out.

13 We can make efforts to spend the grant side every
14 day of the month, every month of the year, because we don't
15 have to wait for the budget for our authority to do that.

16 On the promotion side, beginning July 1, beginning
17 July 1 on the promotion side there is a Budget Act item
18 which will supersede the law. Unless that is removed from
19 the Budget Act the Budget Act will give us the authority and
20 define how much authority we have.

21 In September we will tell the Department of
22 Finance how much money is in the account and what our plans
23 are for it and how the money is going out and they will
24 print that in January of 1995 and the Legislature will then
25 see the results of our efforts now and on through the rest

1 of this year.

2 If the Legislature in January of 1995 sees that we
3 have been sitting on the stinking money they'll rise up in
4 righteous indignation and do something about it.

5 BOARD VICE CHAIRMAN CHESBRO: Which all leads back
6 to my original point.

7 BOARD CHAIRMAN HUFF: Did I get you there?

8 BOARD VICE CHAIRMAN CHESBRO: It all leads back to
9 my original point which was we do want to get this money out
10 the door.

11 BOARD CHAIRMAN HUFF: Yes; we do.

12 BOARD VICE CHAIRMAN CHESBRO: And it's possible
13 that some of these categories that maybe -- we may find out
14 a month from now or six weeks from now that they're dead
15 ends in terms of the time frame. We're not going to make it
16 by the end of the year.

17 So is there -- my original question that I asked a
18 few minutes ago was are there some of these that we feel are
19 clearer or stronger bets to have in place?

20 I assume that used oil curbside collection
21 promotion grant is one. That's pretty solid.

22 Are there others that have shorter pathways and
23 are more likely than others and if there are then can we put
24 some language into the motion which says to keep this
25 flexible enough to move monies around if necessary into

1 those surer categories to make sure that the funds get spent
2 by being --

3 BOARD CHAIRMAN HUFF: Why don't you just ask for
4 them to come back in May and tell us what the status is?

5 BOARD VICE CHAIRMAN CHESBRO: Our motion today
6 would be flexible enough for us to add some dollar amounts.

7 BOARD CHAIRMAN HUFF: It's true.

8 BOARD MEMBER RELIS: And subtract, adjust. Is
9 that what we've got here?

10 BOARD CHAIRMAN HUFF: Yeah.

11 MS. MACHT: I think we'd be comfortable with that.

12 All of these are interagency agreements that can
13 move fairly quickly.

14 BOARD CHAIRMAN HUFF: Yeah.

15 MS. MACHT: So I don't think that we would leave a
16 large amount of money that we would lose.

17 BOARD VICE CHAIRMAN CHESBRO: I just want to make
18 sure.

19 BOARD CHAIRMAN HUFF: That way we're going to
20 know, because this list adds up to more than the money
21 available so we have to have some sort of read at some point
22 in time where it all shook out anyway.

23 BOARD VICE CHAIRMAN CHESBRO: Some of these
24 require more lead time than others and I just want to make
25 sure that we don't -- we've been in this position before

1 where we are scrambling at the end and not -- and I just
2 wanted to have that discussion up front now rather than --
3 so that it's we're looking at it and keeping the flexibility
4 built in to move monies around.

5 BOARD MEMBER RELIS: Mr. Chair, are we going to
6 then next month get back essentially this more fleshed out
7 or refined or --

8 BOARD CHAIRMAN HUFF: Status report.

9 BOARD MEMBER RELIS: Status report.

10 BOARD CHAIRMAN HUFF: Status report.

11 MR. GORFAIN: Yes. I think it's important that
12 you adopt some program here today, but we will definitely
13 come back.

14 And what I was going to say is with respect to the
15 block grants we should have a pretty good idea in April and
16 certainly an excellent idea in May as to how much money is
17 being requested under the block grant program, which we'll
18 firm up.

19 BOARD VICE CHAIRMAN CHESBRO: How much more if any
20 is available.

21 BOARD CHAIRMAN HUFF: Okay.

22 BOARD MEMBER NEAL: Before we move forward I did
23 have one more specific comment on the list and that has to
24 do with the used oil filter collection demonstration
25 projects.

1 BOARD CHAIRMAN HUFF: Yes.

2 BOARD MEMBER NEAL: In the narrative that is a
3 part of the item it says that the funds would be available
4 to local governments with existing curbside collection
5 programs.

6 And my suggestion would be instead of just
7 limiting it to existing we may have some that come on line
8 later. So it should be broadened to existing or new.

9 BOARD MEMBER RELIS: Wasn't the idea there, I
10 don't know for sure, that if you're trying to encumber the
11 money in that category if you're -- if you don't have
12 programs on line can you still encumber the money? In other
13 words, well --

14 BOARD MEMBER NEAL: The money is encumbered. I'm
15 just talking about who is qualified to receive it.

16 BOARD MEMBER HEIDIG: Mr. Chairman.

17 BOARD CHAIRMAN HUFF: Yes, Mr. Heidig.

18 BOARD MEMBER HEIDIG: We could just delete two to
19 three existing curbside collection programs and just say two
20 curbside collection programs.

21 BOARD CHAIRMAN HUFF: That's right. Thank you.

22 BOARD MEMBER HEIDIG: Point of information. On my
23 previous point on setting up a database so that we can
24 market this information on more than an anecdotal basis,
25 would that be 100,000 or 160,000 given that we've already,

1 we would still have to -- I mean, excuse me. Would it come
2 up to 100 or would it be 140?

3 BOARD CHAIRMAN HUFF: It would be a separate item.

4 BOARD MEMBER HEIDIG: Separate item. At 100 --

5 BOARD CHAIRMAN HUFF: You have R and D at 40 and
6 you have database at 100.

7 BOARD MEMBER HEIDIG: Thank you.

8 BOARD VICE CHAIRMAN CHESBRO: Going back to the
9 question about the used oil filter thing, I think it's
10 important though to still note that we're talking about
11 demonstration, a limited number of demonstration projects,
12 not just another broad -- at this point in time. I presume
13 if those demonstration projects prove their worth that we
14 would be talking about potentially funding broad --

15 BOARD MEMBER HEIDIG: That's in the title.

16 MS. GILDART: One point to address that.

17 One of the reasons we had targeted the existing
18 curbside collection programs is we thought they could get up
19 and running the fastest. To do used oil filter collection
20 is going to require modification of existing equipment and
21 we didn't think we wanted to go through the whole thing of
22 purchasing the trucks or whatever equipment and modifying
23 it. So that was why we had targeted the existing.

24 BOARD MEMBER RELIS: That's what I was trying to
25 say. Thanks.

1 BOARD CHAIRMAN HUFF: The way it's worded now --

2 BOARD MEMBER NEAL: If it says curbside collection
3 then that assumes that they have a program, a collection
4 program.

5 BOARD CHAIRMAN HUFF: The way it's worded now
6 you're not locked in.

7 BOARD VICE CHAIRMAN CHESBRO: But the practical
8 fact is that those that have an existing program are going
9 to be the most likely to be able to get going.

10 BOARD CHAIRMAN HUFF: Enough fine tuning?

11 BOARD MEMBER NEAL: I think so.

12 BOARD CHAIRMAN HUFF: Motion?

13 BOARD VICE CHAIRMAN CHESBRO: Moved.

14 BOARD CHAIRMAN HUFF: It's moved by Mr. Chesbro.

15 BOARD MEMBER NEAL: I want to make sure that that
16 includes all of the fine tuning that we have discussed
17 today, which is on the statewide public education contract,
18 existing --

19 BOARD CHAIRMAN HUFF: That's correct.

20 BOARD MEMBER NEAL: -- or issue new on the used
21 oil information workshops, interagency agreements to conduct
22 workshops on the barriers to refine use study that we are
23 developing solutions to overcome barriers to the use and not
24 to change perceptions, and on the used oil filter to reflect
25 the language that Mr. Heidig suggested.

1 BOARD CHAIRMAN HUFF: Yeah. And new item with the
2 database.

3 BOARD MEMBER NEAL: And the new item with the
4 database.

5 BOARD CHAIRMAN HUFF: Okay. You all got that?

6 MS. MACHT: We got it.

7 BOARD CHAIRMAN HUFF: Got a motion, let's have a
8 roll call.

9 BOARD SECRETARY KELLY: Board Member Chesbro.

10 BOARD VICE CHAIRMAN CHESBRO: Aye.

11 BOARD SECRETARY KELLY: Egigian.

12 BOARD MEMBER EGIGIAN: Aye.

13 BOARD SECRETARY KELLY: Heidig.

14 BOARD MEMBER HEIDIG: Aye.

15 BOARD SECRETARY KELLY: Neal.

16 BOARD MEMBER NEAL: Aye.

17 BOARD SECRETARY KELLY: Relis.

18 BOARD MEMBER RELIS: Aye.

19 BOARD SECRETARY KELLY: Chairman Huff.

20 BOARD CHAIRMAN HUFF: Aye.

21 Motion carries 6-0.

22 That concludes the agenda except for open
23 discussion.

24 Does anyone have anything to open discussion?

25 BOARD MEMBER RELIS: Mr. Chair, before we leave

1 this totally, this oil area, did I hear we're going to get a
2 report from Department --

3 BOARD VICE CHAIRMAN CHESBRO: That was part of my
4 motion.

5 BOARD CHAIRMAN HUFF: That was part of this
6 motion. I guess you didn't hear it.

7 BOARD MEMBER RELIS: Didn't hear it.

8 EXECUTIVE DIRECTOR CHANDLER: Yes, Mr. Chairman, I
9 have one quick item.

10 BOARD CHAIRMAN HUFF: Yes, Mr. Chandler.

11 EXECUTIVE DIRECTOR CHANDLER: I know all of you
12 rushed to read your e-mail when you come in in the morning,
13 but if you didn't catch your e-mail, Tuesday night I
14 announced that Cal EPA and the State Department of Personnel
15 Administration approved my request to appoint Ms. Dorothy
16 Rice as Chief Deputy Director.

17 (Applause.)

18 EXECUTIVE DIRECTOR CHANDLER: So I wanted to
19 acknowledge Dorothy.

20 I speak for not only myself but the entire
21 organization that welcomes Dorothy to her new role.

22 Thank you.

23 BOARD CHAIRMAN HUFF: Thank you very much.

24 Now, Mr. Chesbro has desire that this letter from
25 Lassen County be part of the record. So here it is,

1 whatever that means.

2 We're going to go to executive session, closed
3 session. The executive session isn't the right terminology?
4 Okay.

5 We are going to go to closed session to discuss,
6 Counsel, we have to say what we are in a general sense
7 discussing, is that not so?

8 Matters pertaining to litigation.

9 EXECUTIVE DIRECTOR CHANDLER: Litigation and
10 specific personnel matters..

11 BOARD CHAIRMAN HUFF: And specific personnel
12 matters.

13 EXECUTIVE DIRECTOR CHANDLER: Correct.

14 BOARD CHAIRMAN HUFF: So that will be the purpose
15 for our closed session.

16 And we stand in recess in closed session.

17 (Thereupon the meeting was adjourned
18 at 3:40 p.m.)

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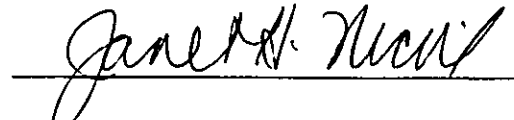
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I further certify that I am not of counsel or attorney for any of the parties to said meeting, or in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of April 1994.



Janet H. Nicol
Certified Shorthand Reporter
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